

**ANNUAL REPORT**  
**1987**

collected  
amount  
via dl

**Statistics  
of Income  
Library**

**Reference  
Do Not Remove**

---

INTERNAL REVENUE SERVICE  
ANNUAL REPORT 1987

The Commissioner's and Chief Counsel's Annual Report is produced by the Office of Public Affairs, Room 1312, Internal Revenue Service, 1111 Constitution Ave., N.W., Washington, D.C. 20224.

The report is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

NOTE

Statistical data used in the text and tables of this volume are on a fiscal year basis, unless otherwise noted. For example, data headed "1987" pertain to the fiscal year ended Sept. 30, 1987.

Graphs, charts, and text figures have been rounded and may not compute precisely compared to the statistical tables, which are based on unrounded figures.

5

Statistics  
of Income  
Library

---

## INTRODUCTION 4

COLLECTING THE  
REVENUE 6

Returns Received 8  
Tax Receipts 8  
Refunds 9  
Penalties and Interest 9  
Presidential Election Campaign Fund 9  
Contributions to Reduce the Public  
Debt 9  
Tax Refund Offset Program 11  
Earned Income Credit 11  
Master File 11  
Electronic Filing 11

ASSISTING THE  
TAXPAYER 12

Tax Reform Act Assistance 14  
Telephone Assistance 14  
Taxpayer Information 14  
Print Media 14  
Special Advertising and Mailing  
Campaigns 14  
Taxpayer Education 15  
Forms and Publications 15  
Problem Resolution Program 15

## ENFORCING THE LAW 18

Examination Results 20  
Automated Examination System  
20  
Information Returns Program 20  
Computer Assisted Audit Program and  
Statistical Sampling 20  
Coordinated Examination Program 20  
Tax Shelters 20  
Industry Specialization Program 21  
Quality in Examination 21  
Research to Improve Compliance 21

Windfall Profit Tax Program 21  
Disclosure 21  
Criminal Investigation 22  
Bank Secrecy Act 22  
Questionable Refund Program 22  
Organized Crime and Drug Enforcement  
Task Forces 23  
Collection 23  
Service Center Collection Branch 23  
Automated Collection System 23  
Resource and Workload Management  
System 23  
Integrated Collection System 23  
Credit Card Payment of Federal  
Taxes 24  
International 24  
Employee Plans 25  
Exempt Organizations 25  
Employee Plans and Exempt  
Organizations Determination System  
(EDS) 25

MANAGING THE  
SYSTEM 26

Strategic Management System 28  
Research 28  
Integrated Management Systems 28  
Information Systems Development 28  
Computer Services 28  
Internal Security 29  
Internal Audit 29  
Integrity Program 30  
Statistics of Income (SOI) 30  
Director of Practice 30  
Legislative Affairs 31  
Commitment to Quality Service 31  
General Accounting Office/Internal  
Revenue Service Joint Management  
Review 31  
Equal Employment Opportunity 31

## CHIEF COUNSEL 32

Tax Reform Legislation 34  
Corporation and Individual Tax  
Divisions 34  
Employee Plans and Exempt  
Organizations Division; Interpretative  
Division; Legislation and Regulations  
Division 34  
International 35  
Criminal Tax 35  
Disclosure Litigation 35  
General Litigation 35  
Tax Litigation 36  
Industry Specialization Program 37  
Administrative Appeals 37  
General Legal Services 37  
Operations Division 37

## STATISTICAL TABLES 41

## OFFICIALS 67

Commissioners of Internal Revenue 67  
Acting Commissioners 68  
Principal Officers of the Internal  
Revenue Service 68  
Chief Counsel for the Internal Revenue  
Service 73  
Acting Chief Counsel 73  
Principal Officers of the IRS Office of  
Chief Counsel 74

INTERNAL REVENUE  
SERVICE ORGANIZATION  
CHART 77INTERNAL REVENUE  
SERVICE MAP 78  
(Regions, Districts and Service Centers)CHIEF COUNSEL MAP 78  
(Region and District Offices)

## INDEX 79

**1987** was a year of exceptional challenge for the Internal Revenue Service. In addition to processing record numbers of tax returns, collecting record amounts of tax, and continuing to enforce the tax laws, we were responsible for implementing the Tax Reform Act of 1986, legislation that fundamentally changed our tax system.

Traditionally, when a new tax law passes, we inherit the task of describing to American taxpayers their responsibilities under the new law. This report details our rather extraordinary efforts to provide guidance and assistance under the new law. Working with their counterparts in Treasury's Office of Tax Policy, our attorneys have produced a large volume of regulations, revenue rulings, revenue procedures, notices, announcements, and other forms of guidance. In the case of tax reform, descriptions and definitions are not easily written, nor can they be quickly written. The constant challenge is to balance taxpayers' urgent need for guidance with quality work we can all be proud of in years to come.

Recognizing that this law is different from those in the past, we have approached its implementation in altogether different ways. Our approach has been to include taxpayers and their representatives in our planning and implementation efforts and to rework our forms, publications and programs based on what we learned from them. Driving everything we said and did was our commitment to quality performance and customer service.

But the challenge of *implementing* tax reform is not the exclusive domain of IRS. Capitalizing on the opportunity of tax reform requires a partnership effort among taxpayers, their representatives, and tax administrators. And more than any other year in IRS' 125-year history, 1987 was the year we articulated the need for partnership, laid its groundwork and produced some excellent results.

Partnership became a watchword for internal communications and cooperation as well. Examples include:

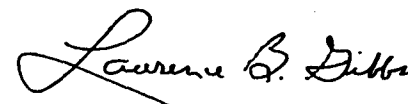
- IRS management and union officials reached a historic agreement to create a joint quality improvement process, one that will tap the creativity and experience of all employees and help us work together to improve the quality of our work lives.
- IRS offices all across the country are moving forward with quality improvement projects, projects that identify local and national problem areas, methodically investigate the root causes of problems, and recommend ways to resolve the problems and improve the way we do business. An early beneficiary of quality improvement techniques has been our federal tax deposit system. Ongoing projects include: revamping our taxpayer service program, improving customer service in our automated collection sites, providing one-stop assistance to taxpayers and practitioners on taxpayer account problems, extending telephone assistance hours, looking at the reasons for repeat correspondence with taxpayers who are responding to our computer-generated notices, doing exit interviews with taxpayers about the quality of our service, and addressing tough employee recruiting and retention problems.

- Recognizing that our Counsel's legal skills need not be confined to litigation, we looked for ways our attorneys could lend their legal assistance in cases that are significant in terms of the amount of dollars collected or the legal issues identified. We anticipate that our attorneys will assume a greater role in helping us identify key issues as part of the industry specialization program and in other large cases.

The Tax Reform Act of 1986 effectively halted the proliferation of abusive tax shelters, but in 1987 reducing the pre-tax reform inventory continued to be a major preoccupation of the Counsel side of our operation. Finding administrative opportunity within the existing system, we pushed back the timing of the merits-based settlement offers to the examination stage. We were not interested in settling cases prematurely or conceding too much. Offers were based on how we determined the case might be decided in the courts. We cautioned taxpayers that offers would not improve with time. Indications are that many taxpayers are opting for settling sooner rather than later.

Tax reform implementation occupied much of our time and talent this past year, but it definitely was not our only priority. The pages of this report reflect new and better ways to educate and help taxpayers. They detail a host of compliance programs designed to ensure that everybody pays a fair share of taxes, such as our international tax enforcement effort that recognizes the impact of a global economy and our increasing reliance on sophisticated technology. We are looking beyond tax reform implementation to managing a tax system that will be adequate at the turn of this century and beyond.

In the very near future, the economic challenges facing our nation will put the Service to its toughest test. We are committed to facing that future not only with enhanced technical skills and state-of-the-art technology, but with considerable respect for American taxpayers and an unshakable commitment to serving them with first-rate quality work and customer service.



Lawrence B. Gibbs,  
Commissioner



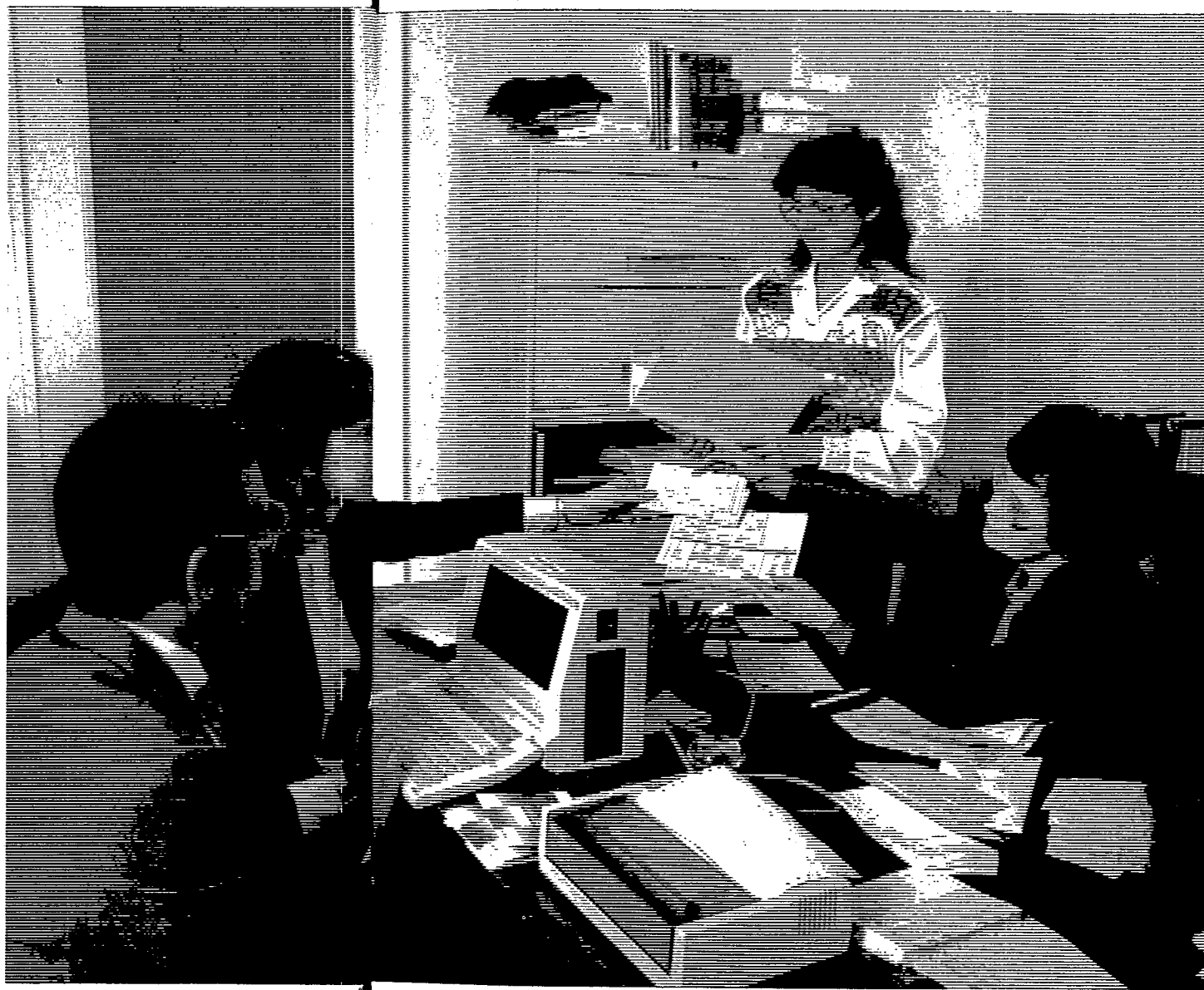
William F. Nelson,  
Chief Counsel

## COLLECTING THE REVENUE

Collecting taxes has never been popular throughout our history. However, Oliver Wendell Holmes explained it well, when he said, "Taxes are the price we pay for a civilized society." Without taxes our Federal government could not exist and our country could not survive.

The Internal Revenue Service is responsible for collecting our taxes in a fair and reasonable manner. It administers the tax laws passed by the Congress. To collect the taxes required by the law, IRS has set up an automated system which maintains tax accounts for all taxpayers.

Each year taxpayers mail their returns to an IRS service center where technicians check returns for mathematical accuracy, ensure that all necessary information has been furnished, and take necessary actions to correct any errors on returns.



## RETURNS RECEIVED

IRS service centers processed 193 million federal tax returns and supplemental documents in 1987—a 2.7 percent increase over the 188 million processed in 1986.

Over 86 million or 44.7 percent of all returns received were individual tax returns Forms 1040 and 1040A. More than 16 million individual taxpayers—16.3 percent of all individual filers—used the simplified Form 1040EZ, compared to about 17 million in 1986, a decrease of 1.1 percent. The number of individual taxpayers filing Form 1040 increased 2.8 percent from 66.7 million to 68.6 million this year. (See statistical table 6 for details.)

The major emphasis in the returns processing program in 1987 was error prevention. "Quality improvement teams" of managers reviewed both operations and end products to identify procedures, instructions, or other problems in the system that might cause errors.

	Type of return	1986	1987
NUMBER OF RETURNS	Grand total	188,017	193,156
FILED BY PRINCIPAL	Income tax, total	145,696	150,309
TYPE OF RETURN	Individual	102,393	103,460
(Figures in thousands. For details see statistical table 6.)	Declaration of estimated tax	35,485	38,804
	Fiduciary	2,305	2,336
	Partnership	1,845	1,836
	Corporation	3,667	3,873
	Estate tax	72	61
	Gift tax	103	105
	Employment tax	27,921	28,233
	Exempt organizations	487	523
	Employee plans	2,142	2,114
	Alcohol, tobacco and firearms	520	492
	Excise tax	1,265	1,011
	Supplemental documents <sup>1</sup>	9,795	10,301
	Non-master file returns <sup>2</sup>	17	8

<sup>1</sup>Includes Forms 1040X, 1120X, 2688, 4868, 7004, 7005 and 1041A.

<sup>2</sup>Includes Forms 941M, 941NM, CT-2, 990BL, 6069, 1042, 1120 DISC, 1120 IC DISC, 1120FSC and 8404.

## TAX RECEIPTS

Gross revenue receipts, up 13.3 percent over 1986, rose to \$886.3 billion this year, an increase of \$104 billion. Individual and corporation income tax collections accounted for almost two-thirds of the total receipts. Individual tax receipts totaled \$465.5 billion, an increase of 11.6 percent over last year. Corporation tax receipts rose 27.9 percent to \$102.9 billion.

Employment taxes (social security, self-employment, federal unemployment and railroad retirement), which were 31.3 percent of the total revenue, hit \$277 billion, another record high for more than six years in a row.

Excise taxes totaled \$33.3 billion, a decrease of 1.1 percent compared to last year. (See statistical tables 1, 2, and 3 for details.)

## REFUNDS

IRS issued 80.8 million refunds totaling \$97 billion in 1987 compared to 77.9 million refunds amounting to \$94.4 billion in the previous year. This year over 77.7 million individual income taxpayers received \$73.4 billion in refunds, including \$371 million in interest. (Note: Individual income refund figures in statistical tables 4 and 5 include fiduciary and partnership returns. See footnotes in these tables.)

By the end of the fiscal year, IRS had issued refunds with interest on 1.6 million current-year individual income tax returns timely filed but not refunded during the statutory interest-free period, compared to 3 million last year. Individual refunds this year averaged \$943 compared to an average of \$946 in 1986. Due to reporting inconsistencies, the average refund for 1986 was previously reported as \$982. The processing of refund claims for Windfall Profit Tax resulted in refunds amounting to \$1 billion, of which \$429 million represented interest. (For details, see statistical tables 4 and 5.)

## PENALTIES AND INTEREST

The law requires that IRS charge penalties for failure-to-file returns, late payments, payments with bad checks, negligence, false withholding statements, fraud and other violations. It also gives IRS the authority to cancel or lower an interest charge when it is not justified.

In 1987, IRS imposed 22.9 million penalties totaling \$5.3 billion. Of these penalties, 12 million were imposed on individuals for a total of \$2.62 billion and 10.9 million on business returns, totaling \$2.64 billion. Interest charges totaled \$4.1 billion on individual returns with reductions of \$472.7 million. These figures are exclusive of 211 thousand penalties totaling \$4.7 billion imposed but not reported in prior years. (Statistical table 14 includes both current year and these prior year penalties.)

Interest charged to business returns totaled \$7.4 billion, lowered by \$2.3 billion. Generally, the IRS may not reduce interest due on taxes owed, but in cases where interest is not justified, it may be lowered or canceled as appropriate.

## PRESIDENTIAL ELECTION CAMPAIGN FUND

Citizens and resident aliens who owe at least one dollar in Federal income tax may designate one dollar of the tax to the Presidential Election Campaign Fund. In 1987, 22 percent of the total individual income tax returns, or 22.4 million, showed designations to this fund of \$33.2 million. The cumulative amount credited to the fund since it began in 1972 is \$500.4 million.

## CONTRIBUTIONS TO REDUCE THE PUBLIC DEBT

Last year was the fifth year federal tax forms carried a message inviting taxpayers to make voluntary contributions to reduce the public debt. Taxpayers could send separate checks payable to the Bureau of Public Debt with their federal tax returns and take a deduction on the next year's tax return, subject to limitations on charitable deductions. In 1987, there were 723 contributions, totaling \$159,000, making the number of contributions 10,382 and the total contributed \$1.5 million.

Source	Gross Collections	Refunds <sup>1</sup>	Net Collections	
			Amount	Percent of total
NET INTERNAL REVENUE COLLECTIONS (In thousands of dollars.)				
Grand total	886,290,590	94,992,297	791,298,293	100.0
Corporation income taxes	102,858,985	18,933,215	83,925,770	10.6
Individual income taxes	465,452,486	74,283,599 <sup>2</sup>	391,168,887	49.4
Employment taxes, total	277,000,469	689,370	276,311,098	34.9
Old-age, survivor's, disability and hospital insurance	266,616,935	515,590	266,101,345	33.6
Railroad retirement	4,151,534	21,557	4,129,977	0.5
Unemployment insurance	6,232,000	152,223	6,079,777	0.8
Estate and gift taxes	7,667,670	175,030	7,492,640	0.9
Excise taxes	33,310,980	911,083	32,399,897	4.1

<sup>1</sup>Does not include interest paid on refunds. In the narrative, the total refund figure of \$97.0 billion includes \$2.0 billion, of interest.

<sup>2</sup>Refunds of Forms 1040, 1040A and 1040EZ including withheld taxes, minus FICA.

Source	Percent of 1987 collections	1986	1987	Increase or decrease	
				Amount	Percent
GROSS INTERNAL REVENUE COLLECTIONS (In thousands of dollars. For details see statistical table 1.)					
Grand total	100.0	782,251,812	886,290,590	104,038,778	13.3
Income taxes, total	64.1	r 497,406,391	568,311,471	70,905,080	14.3
Corporation	11.6	80,441,620	102,858,985	22,417,365	27.9
Individual, total	52.5	r 416,964,771 <sup>1</sup>	465,452,486 <sup>2</sup>	48,487,715	11.6
Withheld by employers <sup>1</sup>	36.4	r 314,838,340 <sup>1</sup>	322,495,330 <sup>2</sup>	7,656,990	2.4
Other <sup>3</sup>	16.1	102,126,431	142,957,156	40,830,725	40.0
Employment taxes, total	31.3	r 243,978,380	277,000,469	33,022,088	13.5
Old-age, survivor's, disability and hospital insurance, total	30.1	234,879,738	266,616,935	31,737,197	13.5
Federal insurance contributions	28.5	219,171,256	252,629,343	33,458,087	15.3
Self-employment insurance contributions	1.6	15,708,482	13,987,592	(1,720,890)	-11.0
Unemployment insurance	0.7	r 5,265,002	6,232,000	966,998	18.4
Railroad retirement	0.5	3,833,640	4,151,534	317,894	8.3
Estate and gift taxes	0.9	7,194,956	7,667,670	472,715	6.6
Excise taxes, total	3.8	33,672,086	33,310,980	(361,106)	-1.1
Alcohol & tobacco	1.3	r 10,233,303	11,097,677	864,374	8.4
Other	2.5	r 23,438,783	22,213,303	(1,225,480)	-5.2

<sup>1</sup>Includes presidential election campaign fund amounting to \$35,933,481.

<sup>2</sup>Includes presidential election campaign fund amounting to \$33,179,268.

<sup>3</sup>Estimated collections of individual income tax withheld are not reported separately from old-age, survivor's, disability and hospital insurance (OASDHI) taxes on wages and salaries. Similarly, collections of individual income tax not withheld are combined with OASDHI taxes on self-

employment income. The amount of OASDHI tax collections shown is based on estimates made by the Secretary of the Treasury pursuant to the provisions of section 201(a) of the Social Security Act as amended and includes all OASDHI taxes. The estimates shown for the two categories of individual income taxes were derived by subtracting the OASDHI tax estimates from the combined totals reported.  
r = revised

## TAX REFUND OFFSET PROGRAM

If a taxpayer fails to make support payments to a child or spouse who receives public assistance, Congress requires the IRS to withhold all or part of the taxpayer's income tax refund to cover the delinquent payments. This requirement has been in effect since 1981. Since 1986, the IRS has also been required to apply individual income tax refunds to support payments for a child or spouse who is not on welfare and to debts owed to some federal agencies.

Through an agreement with the Department of Health and Human Services, IRS acts as a collection agent for the state welfare agencies in all child or spouse support cases. The refund amounts reimburse the agencies for the support they furnish through aid to families with dependent children. The state agencies turn the funds over to the parents having custody of the children in non-welfare cases. In 1987, refunds totaling 662,592 were offset in the amount of \$339 million to cover delinquent payments.

Other agreements with the Departments of Housing and Urban Development, Agriculture, Education, Defense, Treasury, Justice, Health and Human Services, and the Veterans' and Small Business Administrations require the IRS to act as a collection agent for delinquent federal debts. During 1987, refunds were offset for this purpose on 483,121 individual income tax returns in the amount of \$222.5 million.

## EARNED INCOME CREDIT

Low income taxpayers who keep a home for themselves and at least one dependent may claim the earned income credit. Taxpayers who qualify for the credit may choose to get it in their paychecks in the form of advance payments during the year, rather than wait and file for it on their tax returns after the year is over. In 1987, 6.2 million taxpayers claimed a total of \$2 billion. Employers reported that \$2.5 billion had been paid out in advance earned income credits during 1987.

## MASTER FILE

The number of taxpayer accounts on the Individual Master File grew to 141.4 million by the end of September 1987, a 1.9 percent increase over 1986. The Business Master File had 28.2 million accounts, a 1.4 percent increase over the previous year. During 1987, the National Computer Center processed 806.3 million individual and business master file transactions, an increase of 137.2 million, or nearly 20.5 percent over 1986.

## ELECTRONIC FILING

IRS pioneered electronic accounting with the creation of the National Computer Center in Martinsburg, West Virginia, in the early 1960's where it created the IRS masterfile of taxpayer accounts. IRS service centers traditionally transfer data from individual tax returns to electronic media for use on computers. Electronic filing eliminates costly manual steps in processing returns, improves the quality of returns filed, and reduces the time between filing and receipt of refunds. Electronic filing of individual income tax returns with refunds became an operational program for the 1987 processing year. The original pilot project included the metropolitan areas of Cincinnati, Phoenix, and Raleigh-Durham-Fayetteville. Albany, New York; Milwaukee, Wisconsin; Norfolk, Virginia, and Sacramento, California were added this year.

Electronic fund transfer/direct deposit was tested in the three pilot areas and will be included in the further expansion of the electronic filing operational program to 16 districts for the 1988 processing year.

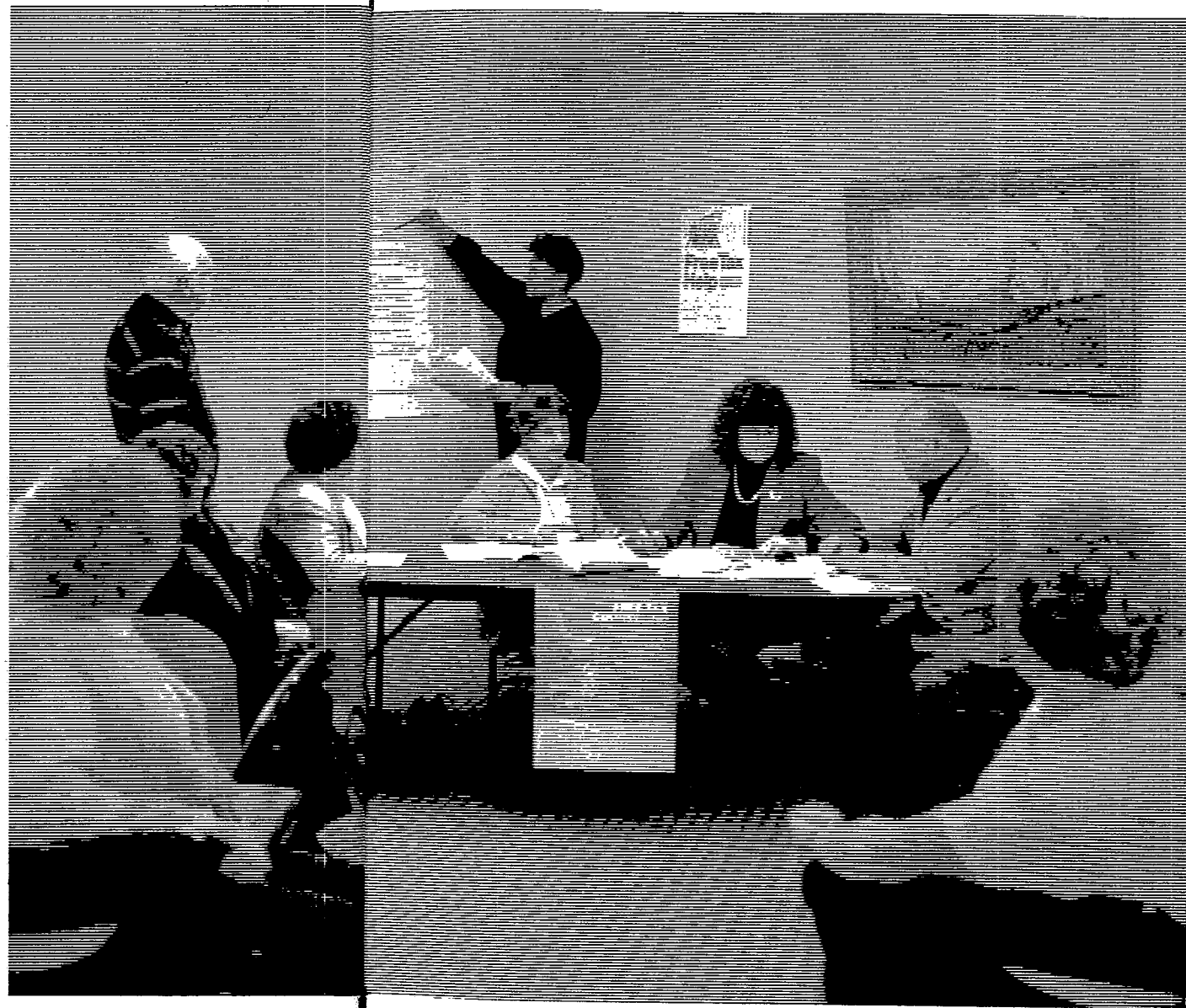
Electronic/magnetic media filing of fiduciary and partnership returns was tested for processing year 1987 with no geographic restriction on location of filers. The test will be expanded to cover Forms 1120S and 5500 (C and R) for processing year 1988.

The IRS is studying a new "answer sheet" return specifically designed to be scanned by optical character recognition (OCR) equipment which will convert the information to magnetic media for computer use. The Form 1040 OCR data will be processed through the electronic filing system.

In an attempt to reduce drug trafficking and money laundering, the Congress in 1970 passed the Bank Secrecy Act which requires that cash transactions of \$10,000 or more must be reported to IRS on currency transaction reports. In 1987 the Detroit Data Center began processing magnetically filed Currency Transaction Reports. Both IRS and the institutions involved realize substantial monetary savings with a projected 10 percent reduction in errors in the reports.

## ASSISTING THE TAXPAYER

**T**here is more to collecting taxes than just processing returns and sending out notices. Most taxpayers want and try to pay their fair share of taxes. However, with increasingly complex tax laws and regulations, taxpayers have more questions than ever before.



The IRS provides many kinds of assistance to taxpayers to help them complete their tax returns. Included are telephone assistance, televised tax programs, audio and video cassette programs, walk-in assistance, workshops and seminars. Also available are several volunteer programs which offer free help to people who need assistance in filling out their returns, and taxpayers can always write or call the IRS to obtain needed forms and free publications which explain procedures for completing tax forms.

## TAX REFORM ACT ASSISTANCE

To ensure that IRS employees and the public had the latest information on the Tax Reform Act of 1986, a cross-functional group of employees worked together to develop training and publicity materials. Within one month after the legislation was signed, IRS employees had training materials and the public was being provided answers to questions on tax changes through items such as tax scripts for the Tele-Tax program and about 100 questions and answers sheets. In addition, several TaxNews releases relating to the 1986 and 1987 tax provisions were issued to IRS employees.

## TELEPHONE ASSISTANCE

IRS provided convenient avenues of help to taxpayers through three forms of telephone assistance: the toll-free system with trained staff to help with account problems; Tele-Tax for either recorded technical tax law information or the status of the current year's refund; and a special toll-free service to order forms and publications.

A technical upgrade and expansion of Tele-Tax to 28 sites allowed taxpayer service to provide assistance to more than 10 million taxpayers—an increase of over 2 million calls from 1986. The technical upgrade alone increased efficiency of existing lines by 33 percent.

## TAXPAYER INFORMATION

IRS provided a variety of materials on taxes for both electronic and print media. Public service programming was available to over 1,200 television stations and 10,000 radio stations. IRS produced 13 television and many radio public service announcements during the 1987 tax filing season. A cable tele-

vision panel discussion, public service announcements and audio and video tapes in English and Spanish were aired on tax reform and tax form preparation.

A two-hour tax program in February and a special one-hour program in September, devoted entirely to the Tax Reform Act, aired over 180 public broadcasting stations and 4.1 million people watched them. A language clinic reached about 877,000 Spanish television viewers, and for the second year a syndicated television tax program ran on 155 commercial stations, covering 86 percent of the country. IRS produced electronic filing publicity materials for distribution to practitioners at Outreach Seminars, and a slide presentation for seminar speakers.

## PRINT MEDIA

Materials made available for print media included several tax supplements, special clip sheets dealing with tax reform, public service advertisements for daily and weekly newspapers and for national magazines and talking-phone books special yellow page directories. Over 1,000 newspapers published special tax sections, a 17 percent increase over 1986.

## SPECIAL ADVERTISING AND

### MAILING CAMPAIGNS

To better inform the public on tax law changes, IRS conducted several first-time mailing and advertising campaigns. Two special mailings, concerning Form W-4 requirements and the new Form W-4A, were made to over 6 million employers. A flyer was also sent with refund checks to all 68 million individuals who received tax refunds in 1987 explaining requirements for filing W-4 or W-4A and social security numbers for dependents age 5 or over.

IRS made plans to mail an information brochure about the new tax law changes to more than 90 million taxpayers encouraging them to order publications needed to start earlier than ever before in preparing their tax returns.

Another IRS first occurred with the contracting of the Advertising Council to develop a nationwide advertising campaign. It will help IRS inform the American public about tax law changes and encourage taxpayers to file early through the theme "Make taxes less taxing. Do them today." The public service advertising campaign begins early in 1988.

IRS, in another first-time event, conducted a nationwide tele-

conference transmitted live via satellite to sites near all 80 IRS offices. It allowed IRS Commissioner Lawrence Gibbs and senior officials from taxpayer service the opportunity to address all taxpayer service/public affairs managers regarding filing season readiness, and enabled them to call in questions directly to the national office officials.

Plans were made for a second nationwide teleconference. IRS national office and field officials will discuss the forthcoming Advertising Council campaign with the tax practitioner community, and answer questions concerning the filing season and tax law changes.

## TAXPAYER EDUCATION

Educating the public on tax-law changes and providing free tax assistance to those with special needs are primary objectives for IRS. Two programs, sponsored by IRS, utilized trained volunteers to help people who needed assistance in filling out their tax returns. The Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs assisted over 1.7 million low-income, non-English speaking, handicapped and elderly taxpayers at over 12,000 sites in communities across the country.

Tax assistance and information were also provided to 903,000 taxpayers, more than double last year, through the Community Outreach Tax Assistance program. This program was especially helpful since it was offered at convenient times and locations in the community for taxpayers who were unable to seek help at IRS offices during normal business hours. IRS representatives explained how the many Tax Reform Act changes affect taxpayers' 1987 returns, and discussed provisions of particular interest to groups such as small business owners, self-employed individuals, farmers and retirees.

Taxpayer service again distributed instructional materials to high school and adult basic education students through the Understanding Taxes Program, presented seminars on tax topics, and participated in tax practitioner institutes.

## FORMS AND PUBLICATIONS

IRS issued advance proofs of most of the major 1987 tax forms earlier this year than ever before. Public comments were invited and internal reviews made to improve the forms. Under contract with a private firm, IRS conducted focus group testing of various high visibility forms at several sites throughout the

nation. The test results pointed out areas of the forms and instructions that were causing problems for taxpayers. IRS received many worthwhile suggestions from these sources for improvements to the forms, and included many of them in the final forms.

IRS developed 50 new tax forms and eliminated 7 forms, due to tax law changes. Thirteen new taxpayer information publications were also developed with a special effort to use only the simplest language possible. Two of these, Publications 920 and 921, provide detailed explanations on the major tax law changes as they affect individuals and corporations.

## PROBLEM RESOLUTION PROGRAM

The Problem Resolution Program (PRP) assisted 407,000 taxpayers in resolving tax problems that had not been resolved through normal procedures. It is directed by the Taxpayer Ombudsman, a member of the Commissioner's immediate staff.

The program was established to handle taxpayers' unusual problems and complaints, but also has two other major goals. First, PRP is responsible for identifying the underlying causes of taxpayer problems so that corrective action can be taken to prevent their recurrence. Second, problem resolution employees represent taxpayers' interests and concerns within IRS during program development and implementation to prevent problems from arising. In accomplishing these goals, PRP recommendations in 1987 resulted in:

1. requiring additional research that will prevent unnecessary invalid social security number notices;
2. improving Schedule B (Form 1040) instructions to prevent future unnecessary underreporter notices;
3. including text about common taxpayer errors in the appropriate Tele-Tax assistance messages;
4. adding instructions to abate federal tax deposit penalty when the taxpayer provides documentation of timely deposits even though the bank's stamped date indicates otherwise; and
5. changing exempt organization return processing procedures to prevent the assertion of unwarranted late filing penalties.

Problems resolution officers are located in all offices of the IRS. Besides preventing and correcting problems, they publicize PRP through television and radio announcements, articles and advertisements, and meet regularly with tax practitioner groups, Congressional staffs, and other outside groups regarding the program.

## ASSISTING TAXPAYERS

	1987	1986
<b>WRITE, CALL OR WALK-IN</b>		
Total Requests for Assistance	54.1M	54.8M
Toll-Free Telephone	34.7M	37.9M
Account & Problem Resolution	5.4M	6.2M
Technical	2.6M	2.6M
Service for the Deaf	1,660	2,338
Non Toll-Free Telephone	.3M	.3M
Tele-Tax	10.9M	7.9M
Automated Response	2.3M	1.5M
Refund	8.6M	6.4M
Outreach	903,000	376,000
Community Sites	12,000	8,000
Correspondence	169,000	241,000
Walk-In	7.1M	8.1M
Permanent Offices	411	345
Filing Season Only	56	115
With Foreign Language Assist.	98	114
Tax Forms & Instructions Distributed	292.0M	298.0M
Libraries, Banks & Postal Serv.	54,400	52,000
<b>DISASTER/EMERGENCY ASSISTANCE</b>		
States	18	22
Counties	188	250
Cities/Towns/Communities	53	58

	1987	1986
<b>TAXPAYER EDUCATION</b>		
Taxpayer Returns Assisted	1.7M	1.8M
VITA & TCE Volunteers	57,000	59,000
Students Who Received Understanding		
Taxes Materials	3.7M	4.0M
Workshops		
Small Business	47,000	39,000
Tax Practitioners	36,000	32,000
Institutes	199	230
Law & Graduate Accounting Schools	12	22
<b>TAXPAYER INFORMATION</b>		
Free Advertising Received	\$45.0M	\$35.0M
Material Sent to Print and		
Electronic News Media	41,000	39,000
Television Clinics/Special Programs	17	13
Radio Clinics	7	4
Estimated Viewers/Listeners	17.0M	12.0M
Newspapers Printing Tax Supplements	1,049	900
Estimated Circulation	29.0M	23.0M
Public Service Ads Printed	4,700	4,573
Estimated Circulation	97.0M	94.0M
Estimated Ad Value (Supplement & Ads)	\$5.7M	\$4.8M
Billboards	2,000	1,900

## ENFORCING THE LAW

The basis of our self-assessment system of taxation is voluntary compliance with tax laws. Highly-trained IRS personnel work to ensure that all taxpayers pay their fair share of taxes, collect the correct amount of taxes due, and when necessary bring criminal violators of the tax law to justice.



IRS continued to make refinements in the automated examination systems and new formulas were developed, due to changes in the tax laws, for selecting both individual and corporation returns for examination. Computerized underreporter document matching programs detected more than 2.2 million apparent discrepancies between figures reported on tax returns and amounts on reports filed by payers of income, resulting in \$1.2 billion additional tax and penalties.

An increased compliance program focused on abusive tax shelter promoters was effective in reducing the number of abusive tax shelters marketed. The automated collection system completed its third year, and collected nearly two-thirds of all delinquent accounts received without resorting to additional field processing. The office of assistant commissioner, international, provided program direction for the second year on all IRS international matters in developing, executing, and evaluating worldwide compliance and assistance programs.

## EXAMINATION RESULTS

In 1987, IRS examined 1.3 million returns which resulted in \$19.6 billion recommended additional tax and penalties, and refunds totaling \$689 million. Through the service center correction program, 5 million returns were corrected, resulting in recommended additional tax and penalties of \$477 million. Through its efforts in districts and service centers, the examination function examined, verified or corrected 1.79 percent of all returns filed in 1987.

## AUTOMATED EXAMINATION SYSTEM

More than 16,000 revenue agents have received training for "laptop" computers, reducing the time required for many labor-intensive tasks. IRS has over 17,000 portable computers for use by revenue agents.

AES established work sites in Dallas (general examination workcenter) and Cincinnati (group and management support). These locations operate with assistance from computer services and employee plans/exempt organizations personnel.

Refinements in the AES basic workcenter this year included a reduction in the number of required operating disks, adding power, and simplifying procedures. Development was directed toward the design and implementation of specialty workcenters for use by engineers, estate and gift attorneys, excise examiners and employment tax agents.

## INFORMATION RETURNS PROGRAM

Computerized document matching detected more than 2.2 million apparent discrepancies between income and deductions reported on tax and information returns in 1987. IRS detected 2.5 million taxpayers who apparently failed to file federal tax returns.

Service centers received over 900 million information documents reflecting wages, interest and dividend payments, contributions to individual retirement arrangements and simplified employee plans, mortgage interest deductions, and other transactions used in tax computations.

## COMPUTER ASSISTED AUDIT PROGRAM AND STATISTICAL SAMPLING

Computer audit specialists assist revenue agents in cases involving computerized records, and are responsible for securing record-retention agreements with certain large taxpayer corporations. They are trained in advanced statistical inference techniques, which they apply to examinations, and serve as expert assistants to other revenue agents and examination specialists.

## COORDINATED EXAMINATION PROGRAM

The Coordinated Examination Program (CEP) recommended tax deficiencies and penalties totaling \$7.4 billion in 1987. The CEP included 1,458 of the largest and most complex domestic and foreign-controlled corporations. Teams of the most experienced examiners and specialists in the IRS did examinations of these corporations.

## TAX SHELTERS

IRS examined 151,954 returns with tax shelter issues in 1987. Examination of these returns resulted in total recommended additional tax and penalties of \$3.3 billion.

A combined effort by examination, chief counsel, and the appeals division to settle old tax shelter cases began in 1987. The IRC 6700/7408 compliance program which focused on abusive tax shelter promoters was effective in reducing the number of abusive tax shelters marketed. During 1987, a total of 5,837 tax shelter registration numbers were issued by IRS.

## INDUSTRY SPECIALIZATION PROGRAM

The Industry Specialization Program, consisting of 15 designated industries and 5 industry studies, was established to better identify and develop issues and ensure uniform and consistent treatment of issues nationwide. The industry specialists are now more involved in the legislative, regulation and ruling processes.

Coordination between examination and chief counsel increased in an attempt to identify coordinated issues for litigation to establish precedence. Each industry specialist was assigned a field attorney to help in developing issues for litigation.

## QUALITY IN EXAMINATION

Examination continued implementing and perfecting several quality improvement systems including all phases of the Automated Examination System and beginning the development of customer-service training material for revenue agents, tax auditors and tax examiners.

The Line Management Quality Assurance System, implemented in a number of districts, requires the first-line manager to determine the examiner's adherence to the auditing standards, and provides immediate feedback to the examiner.

Income Tax Technical Field Conferences, resumed as a joint effort of examination and chief counsel (technical and international) offices, provided an opportunity for field and technical personnel to discuss technical issues of mutual concern.

IRS implemented the nationwide Coordinator Agent/Auditor Program which uses experienced agents/auditors to transfer auditing skills and techniques to less experienced examiners through case consultation and assistance on issues.

## RESEARCH TO IMPROVE COMPLIANCE

The Taxpayer Compliance Measurement Program (TCMP) is based on the examination of a stratified random sample of returns. The resulting data is used to develop discriminant information function (DIF) formulas, which are the primary method of selecting returns for examination.

New DIF formulas for both individuals and corporations were developed in response to changes in the tax law. The first complete TCMP survey of partnership returns was completed in 1985. IRS used the data to form new partnership examination

classes and to develop partnership selection formulas. Returns filed in 1988 will be scored for possible examination based on these new DIF formulas.

IRS conducts research on returns containing specific issues where there appears to be pockets of noncompliance. Results of these studies are used to determine whether other selection systems to supplement DIF are needed. During 1987, the IRS conducted research on such issues as tip income reporting in the food and beverage industry and employment tax withholding compliance.

## WINDFALL PROFIT TAX PROGRAM

Emphasis was placed on the examination of large windfall profit tax cases with high tax potential and on the closing of old-year cases. Examinations closed in 1987 resulted in deficiencies of over \$1 billion.

## DISCLOSURE

IRS responded to 12,422 requests made in calendar year 1986 under the Freedom of Information and Privacy Acts, and provided services to 13,110 people in the Freedom of Information Reading Room.

Under the Federal/State Exchange, 50 state tax agencies requested extracts from the IRS files, and 40 state tax agencies received copies of CP-2000 adjustments. The IRS and the states also exchanged results of their enforcement efforts.

Approximately 45 federal agencies and 75 state tax agencies received federal tax information subject to confidentiality safeguarding. More than 50 state and local welfare agencies received information to verify eligibility for benefit programs. Educational institutions received tax information for collection of defaulted student loans. IRS national office and field disclosure personnel conduct on-site safeguard reviews of organizations receiving federal tax information to prevent unauthorized disclosures of returns and return information.

The IRS processed approximately 35 requests for volume letter forwarding services of 50 or more letters each. The IRS may agree to forward letters from both private and government agencies to individuals at the latest address available in Service records. Specific humane circumstances must exist for private requesters to participate in this program.

	Fraudulent Tax Shelters		Illegal Tax Protesters		Narcotics Related		Bank Secrecy Act (Title 31)		All Others		Total	
	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987
RESULTS OF CRIMINAL INVESTIGATION ACTIVITY 1986-1987												
Investigations Initiated	312	147	338	266	1264	1263	354	392	3593	3443	5861	5511
Investigations	335	338	464	341	1343	1316	369	307	3576	3293	5836	5595
Completions												
Prosecution	231	242	299	243	956	996	275	185	1763	1860	3524	3526
Recommendations												
Indictments	124	130	338	273	817	898	204	174	1471	1431	2954	2906
Informations												
Convictions	107	94	296	275	666	680	108	116	1283	1391	2460	2556
Sentencings	80	95	319	315	662	662	111	89	1246	1440	2418	2601
Percent Receiving Prison Sentences	59	59	60	62	73	77	60	39	56	57	61	63

## CRIMINAL INVESTIGATION

Voluntary compliance with the tax laws in the United States self-assessment system of taxation relies heavily on the deterrent effect of successful criminal prosecutions. IRS criminal investigators have long been recognized as being among the best in their field. Today, organized crime, abusive tax shelters, illegal tax protesters, high-level drug dealers, bank secrecy act and money laundering violations and false claims against the government are among their priority enforcement targets.

Not only do the courts hand down substantial prison sentences, but those convicted must also pay fines, civil taxes and penalties besides serving prison sentences.

## BANK SECRECY ACT

The Bank Secrecy Act requires financial institutions to report currency deposits or withdrawals of more than \$10,000. In one violation of the act, a former bank investment officer was sentenced to five years in prison, fined \$250,000, and assessed

\$9,700 in prosecution costs for her part in a conspiracy to launder \$36 million through San Diego banks and a currency exchange.

In Florida, 10 Colombian citizens were indicted for violating the Bank Secrecy Act. Agents also seized \$510,000 in U.S. currency and executed 32 search and seizure warrants on accounts in various banks in the area resulting in the seizure of another \$634,000.

## QUESTIONABLE REFUND PROGRAM

This program seeks to uncover those individuals who file false or fictitious tax returns for the purpose of getting refunds to which they are not entitled. Detection teams in the service centers intercepted more than \$11.3 million in fictitious claims for multiple refunds and referred 627 schemes to district offices for investigation.

A Florida man was arrested in one case for filing more than 350 fictitious tax returns, claiming an excess of \$1.5 million in refunds. In another scheme, a father and son filed hundreds of fraudulent tax returns to try to cheat the government of an estimated \$5.8 million. Both were sentenced to prison terms.

## ORGANIZED CRIME AND DRUG ENFORCEMENT TASK FORCES

IRS is a significant participant in the President's Organized Crime Drug Enforcement Task Forces. Investigation of narcotics traffickers involves in-depth financial analysis by special agents of the criminal investigation division. These investigations are in direct correlation with effective tax administration and the fostering of voluntary compliance among individuals receiving incomes from illegal sources.

A significant case prosecuted in Pennsylvania on drug and tax counts and continuing criminal enterprise charges resulted in a 45-year prison sentence, a fine of \$100,000, and a concurrent 40-year term on eight counts of tax evasion. In Detroit, the head of what was described as the "largest drug smuggling organization ever uncovered in the United States," was sentenced to 25-years in prison. He pled guilty to a variety of charges including income tax evasion, conducting a continuing criminal enterprise and other drug-related charges. The case also resulted in ten criminal tax charges against bank officials who assisted in the laundering of illicit funds.

## COLLECTION

Collection is responsible for taxes where the amount owed is not in dispute, but remains unpaid. Collection secured \$22.9 billion in 1987, compared with \$19.6 billion in 1986. Of that sum, \$ 9.9 billion was collected as a result of the first bill. Subsequent billings yielded \$5.6 billion. Additional action on taxpayer delinquent accounts generated \$6.4 billion, with various other programs yielding \$1.0 billion.

A new program increased examination of employment tax returns where improper classification of workers as employees or independent contractors can affect the amount of taxes withheld.

## SERVICE CENTER COLLECTION

### BRANCH

The Service Center Collection Branch (SCCB) is collection's first point of contact with taxpayers who may be delinquent in filing tax returns and paying taxes. SCCB expanded its role in securing delinquent returns by assuming responsibility for the

Substitute for Return Program. This program is expected to process between 500,000 to 600,000 individual returns during fiscal year 1988 with assessments in excess of \$2.5 billion. Collection developed an automated system for preparing and assessing returns for individuals who have income reported on information returns, but who have not filed their individual tax returns, after being so notified during normal notice issuance. This program is anticipated to have a major impact on non-compliance. SCCB also adjusts employment tax returns based on state audit information.

## AUTOMATED COLLECTION SYSTEM

The Automated Collection System (ACS) completed its third full year of operation and increased in effectiveness to the point that 65 percent of all delinquent account dispositions were resolved through full payment.

## RESOURCE AND WORKLOAD MANAGEMENT SYSTEM

When taxpayers fail to resolve their accounts in ACS, a new system of inventory control either issues the accounts to the collection field or holds them in a sequence file awaiting processing. Accounts are then assigned, based on their predicted yield and on the staff available.

## INTEGRATED COLLECTION SYSTEM

The Integrated Collection System (ICS) Project is a comprehensive automation effort to streamline a labor-intensive paper system, and thereby improve quality, productivity, timeliness of collection case processing, and responsiveness to taxpayers. Using commercially available hardware and software, the ICS will employ a common data base to facilitate the exchange of information among all four collection organizational units—the collection field function, the special procedures function, the service center collection branch function, and the automated collection system.

## CREDIT CARD PAYMENT OF FEDERAL TAXES

During the past year, IRS evaluated the possibility of taxpayers using credit cards to pay federal taxes. IRS believes that taxpayers should be afforded the convenience of using any commercially acceptable forms of payment to pay their taxes.

However, for IRS to accept credit card payments there must be authorizing legislation. A legislative proposal was drafted for inclusion in the current legislative program to amend Internal Revenue Code 6311 to allow the Secretary of the Treasury to accept credit card payments of federal taxes.

Accepting payment of taxes by credit card will help reduce the volume of accounts receivable and the number of installment agreements, and will provide substantial revenue sooner.

In recommending the acceptance of credit card tax payments, the IRS is in no way suggesting or contributing to any act to encourage the increase of consumer debt. The debt (unpaid taxes) is already there. The cost to the taxpayer for a credit card tax payment may be less than the amount of interest and late payment penalty that would be charged if a liability is not paid by the date prescribed.

## INTERNATIONAL

The office of the assistant commissioner (international) provides program leadership and direction for all international tax matters, including the development, execution, and evaluation of multi-functional compliance and assistance programs on a worldwide basis. It was created to effectively address IRS's tax administration needs caused by the increasing impact of global economic activity. The growing importance of economic internationalization on the tax system was reflected by the emphasis Congress placed upon international issues in the Tax Reform Act of 1986.

International's commitment to provide quality customer service in 1987 extended beyond the borders of the United States. International taxpayer assistance expanded its base of scheduled taxpayer service visits to U.S. embassies and consulates—86 cit-

ies within 52 countries—helping approximately 300,000 U.S. citizens living abroad and in U.S. territories and possessions. Taxpayer education was a vital part of expanded overseas service, which included Volunteer Income Tax Assistance (VITA) and Outreach Programs throughout the world. Year-round assistance was provided at 14 overseas posts.

In the enforcement arena, International provided leadership and direction to 505 specially trained examiners based in 23 district offices within the U. S. The 25 percent increase in international staffing this year supports the growing significance placed on international issues. This is the first step toward a substantial increase in international examiner resources.

During 1987, international enforcement recommended: (1) net reductions in allowable foreign tax credits of \$3.2 billion; (2) adjustments increasing taxable income by \$5.847 billion, decreasing taxable income by \$6.033 billion, for a net decrease of \$186 million; (3) penalties of \$602 million; and (4) increases to other foreign taxes of \$300 million. Working to achieve more effective compliance, international initiated studies to identify areas of non-compliance and determine levels of compliance. Direction was aimed primarily at multinational corporations in areas such as correct payments of U.S. income tax by foreign-controlled corporations, industry-wide pricing, and transfer-pricing transactions.

The thirty-seven tax treaties that the U.S. has in force worldwide are administered by international. These treaties provide for exchanges of information, simultaneous examinations, relief from double taxation, and routine sharing of information returns. In 1987, international realized completed negotiations of 100 cases of U.S. taxpayers requesting relief from double taxation and over 350 requests for information from treaty partners.

Exchanges of information also occurred between IRS and state governments, as well as cooperative assistance efforts. IRS actively participated in the National Association of Tax Administrators (NATA). State tax administrators and IRS staff implemented collaborative actions in the Tele-Tax, Volunteer Income Tax Assistance/Volunteer Counseling for the Elderly, and Outreach taxpayer assistance programs. Cooperation was evident in the creation of "one-stop shopping" for federal and state forms, and the efficient sharing of resources.

International executives attended meetings of international tax administrators exchanging views on cooperative measures, compliance problems, and tax issues. Major organizations involved with these issues included the Group of Four, the Pacific Association of Tax Administrators (PATA), and the Organization for Economic Cooperation and Development (OECD), reflecting interaction with 24 countries.

IRS also provides technical and administrative assistance to foreign governments wanting to improve their tax systems. During 1987, International assisted Egypt, Indonesia, Jordan, Liberia, Saudi Arabia, and Senegal in modernizing and strengthening their tax systems. Assistance efforts ranged from developing compliance measures to training of technical personnel to developing strategic initiatives for effective management of tax systems. As a member of the Inter-American Center of Tax Administrators (CIAT), international exchanges ideas, arranges study programs, and provides technical advice about techniques and technologies employed to accomplish the objectives of tax administration programs.

To strengthen voluntary compliance and achieve a more effective international tax program, an aggressive global media campaign was undertaken to reach taxpayers abroad. In addition, research and compliance studies were initiated which are aimed at detecting non-compliance. These assistance and education efforts, coupled with research and program development, are expected to result in improved compliance. Planned initiatives for 1988 will move international forward to continue systemic improvements for returns processing, increased expansion of toll-free taxpayer assistance to overseas countries, and enhanced training of international examiners.

## EMPLOYEE PLANS

The employee plans function enforces the tax laws governing pension plans by issuing letters determining whether or not a plan qualifies under the law, examining returns to ensure that plans are complying with the law, and publishing rulings to clarify the law. In 1987, IRS issued 300,455 of these letters (as shown in statistical table 18) and examined 8,669 returns.

The employee plans office prepared a series of plain-language notices on provisions of the Tax Reform Act of 1986 relating to individual retirement arrangements and distributions from qualified plans, developed a Master and Prototype Program for Section 401(k) cash or deferred arrangements, and prepared technical guidance for the more complicated provision of tax reform, including information on limitations on contributions and benefits and certain distributions from qualified plans.

## EXEMPT ORGANIZATIONS

Responsibility for many of the laws that exempt organizations from tax falls under the exempt organizations function.

During 1987, IRS issued 405 technical advice memoranda. IRS also acted on 63,387 applications and requests for rulings (including some National Office rulings not shown in statistical table 21) from organizations and examined 18,094 exempt organization returns.

To measure compliance with the tax laws, IRS initiated special-emphasis programs directed toward exempt organizations that appeared to be operated in a discriminatory manner or to be engaged in lobbying and political activities.

A review of internal procedures was completed, resulting in a revision of the method the IRS uses to compute the voluntary compliance level of exempt organizations.

## EMPLOYEE PLANS AND EXEMPT ORGANIZATIONS DETERMINATION SYSTEM (EDS)

The EP/EO Determination System (EDS) is an integrated inventory control and management information system that tracks and controls determination cases, matches applications with historical data and automates case assignments. In 1987, two subsystems of EDS were successfully installed in all key district offices.

## MANAGING THE SYSTEM

Management of the tax system at the lowest cost to the taxpayers, without compromising the quality of operations and service to taxpayers is an important part of the IRS mission. The Tax Reform Act of 1986 presented major management challenges for IRS in implementing the many tax law changes. Research continued to strengthen voluntary compliance; statistics were compiled to determine impact on revenue of existing and proposed legislation, and monitoring continued on the progress of other tax-related legislation of interest to IRS.



Management initiatives continued in providing opportunity for equal employment and development of the most qualified people; effective use of buildings and equipment; maintaining a high standard of integrity and honesty of employees; prevention of corruption and fraud and protection of employees in their work. IRS efforts continued in automation technology in processing tax returns, electronic and return-free filing, and management and cost-accounting systems.

## STRATEGIC MANAGEMENT SYSTEM

IRS established the Strategic Business Plan (SBP) to provide a comprehensive, service-wide focus on quality tax administration. The Strategic Business Plan contains an exhaustive set of long-range objectives and strategies based on planning assumptions and trends, critical issues, and the IRS Commissioner's priorities.

IRS continued refinements to the Strategic Issues Plan for addressing major issues. Strategic initiatives provide a mechanism to systematically analyze and make specific recommendations about implementation of program change proposals. A new area of concern and five related initiatives pertaining to IRS's commitment to quality service were added to the Strategic Issues Plan. Several initiatives were completed to strengthen compliance with the tax laws, improve management of information technology, maintain program efficiency and effectiveness, and recruit and retain quality employees.

## RESEARCH

IRS research efforts emphasize strengthening voluntary compliance, trend identification, and analysis as reflected in the IRS Strategic Plan. At a conference of academic and private foundation researchers, representatives of various practitioner/advisor and professional groups and IRS personnel discussed research papers on the role of tax practitioners.

The IRS prepared a report to Congress on the feasibility of a return-free system, under which some taxpayers with simple tax situations could have their tax liabilities determined by the IRS. The report stated that such a system is not now feasible, but suggests new computer systems planned during the next decade might make implementation of such a system possible.

Several milestones have been reached in establishing long-range Artificial Intelligence (AI) capabilities in the IRS. Transition from training to system development activities was successfully carried out through the establishment of an AI laboratory and the return of trainees from the first AI training program.

Projects focused on some key operational areas service-wide, including compliance, taxpayer service, and returns and information processing. All are expected to yield substantial benefits in the quality and productivity of work conducted by the IRS.

## INTEGRATED MANAGEMENT SYSTEMS

The Integrated Management System (IMS) Project Office was established to replace and enhance the current management information system and manual inventory controls by providing timely, accurate information in a flexible and user-friendly format.

IRS had commissioned an independent firm in 1984 to conduct a feasibility study of an integrated-management system and cost-accounting system. The current system was shown to be cumbersome and slow and service center managers were maintaining over 370 manual reports on workload status.

A system was needed to automate these manually kept records. IMS converts current service center systems to a database management system, making information more available to users, and eliminating as much manual processing of paper documents as possible for service center, regional and national office managers and analysts.

IMS includes service center employee performance evaluations, release/recall actions, workload scheduling/work planning, production and inventory control, quality, automated document control and a cost management system.

The Total Employees Performance System (TEPS) will be the first sub-system implemented in IMS. Under TEPS, the peer-group evaluation system for measured work in service centers is replaced by a new system based on fixed performance standards. Most of the design and analysis work for Phase I of TEPS was completed in 1987. TEPS is being piloted at Brookhaven Service Center, with service-wide implementation scheduled in 1988. The remaining sub-systems of IMS will be piloted at the Philadelphia Service Center beginning in fiscal year 1989.

## INFORMATION SYSTEMS DEVELOPMENT

IRS recognized the need to modernize its computer-based tax administration system and set up the office of the assistant commissioner (information systems development) to direct the IRS toward this effort.

This effort is necessary to improve the timeliness and quality of service to the taxpayer and improve the quality of processing returns within the IRS.

## COMPUTER SERVICES

The Tax Reform Act of 1986 required the revision or addition of many tax forms and brought about many programming changes for the automated tax processing system. Computer services tracked the new provisions of the tax law during the

legislative process to identify the processing changes which needed to be in place before January 1, 1988.

Computer services was involved in developing the Quality Improvement Information System (QIIS), a data processing system for sharing quality-related information and tracking quality improvement projects service-wide. Other computer services projects focused on improving processing of tax and information returns and service to customers.

Computer services is developing plans for continuing critical operations in the event any of the Internal Revenue Service's processing centers are incapacitated for an extended period. Such plans would go into effect when fire, flood, tornado, sabotage, or other major catastrophe results in substantial damage or long-term disruption of services.

The program to replace IRS's existing data communication processing system and aging computer terminals continued throughout 1987. These computer terminals support many functions used to research taxpayer account data, process adjustments to taxpayer accounts and resolve errors in tax return input. Replacing the old equipment improves IRS's capability to answer taxpayer inquiries regarding returns and refunds.

## INTERNAL SECURITY

The IRS commitment of quality and service to taxpayers begins with the assurance to the public that employees are living up to the highest standards of honesty and integrity and that employees are protected from efforts to corrupt or threaten them when carrying out their duties. These tasks lie with the internal security division and are accomplished through investigations conducted by the division.

Investigative programs conducted by the division include criminal misconduct (such as bribery, embezzlement, disclosure or unauthorized use of tax information and conflict of interest) and serious administrative misconduct by IRS employees; attempts by non-IRS personnel to corrupt or unlawfully interfere with IRS operations through bribery, threats or assaults; charges against tax practitioners; allegations of impersonation of IRS personnel, background investigations on IRS applicants and appointees, and security updates.

The elimination and prevention of corruption and fraud depends upon the cooperation internal security receives from IRS employees. One such example involved an employee who reported a bribery attempt that resulted in the arrests and indictments of two garment business owners, and the accountant of one of the owners, for bribery, conspiracy and aiding and abetting. The investigation disclosed that the two businessmen offered and paid the cooperating employee a total of \$13,000 to eliminate approximately \$74,000 in tax liabilities.

In another investigation, a former employee was arrested and indicted for embezzlement and false personation. The investigation originated when a taxpayer asked about the status of a

cash payment which failed to post on the taxpayer's account. The investigation involved seventeen taxpayers and a total of \$33,383.43, which the former employee had embezzled while employed with IRS. He continued to contact taxpayers after he resigned and embezzled additional funds by posing as an IRS employee.

The division introduced an initiative for conducting background investigations to more timely assess a person's character, reputation and loyalty to the United States. Internal security centralized the program in a national office component, the centralized background investigations section (CBIS), and it is proving to be a more efficient and effective way to conduct background and security cases.

Employee protection is internal security's highest priority. Continued emphasis was placed on the employee protection program in terms of the prompt investigation of threats and assaults, and further refinement of the system to alert employees to potentially dangerous taxpayers (PDT's). The number of taxpayers designated as PDT's increased substantially during 1987. This may be due, in part, to an increase in the number of incidents reported by employees who are now more alert to taxpayers' threats.

An assault and threat task force was formed as a result of an independent study. One objective is to produce an assault and threat handbook to be used by IRS employees as a ready reference for questions related to assaults, threats, and security. Several districts are also being selected as test sites for implementing measures to improve employee safety and security.

## INTERNAL AUDIT

The internal audit division conducts independent reviews and appraisals of all functional activities of the IRS. During 1987, internal audit concentrated its efforts in those areas which were of primary concern to management—the quality of operations and service to taxpayers.

The Tax Reform Act of 1986, because of its sweeping changes in the federal tax laws, will have a tremendous impact on taxpayers. Internal audit, in keeping with its mission to provide a service to management, established a tax reform coordinator in every region, initiated six audits of tax reform implementation activities so that management would have the benefit of internal audit appraisals on an on-going basis.

Internal audit is a member of the 1988 filing season readiness group and made a number of recommendations to improve IRS's implementation of the Tax Reform Act of 1986. For example, one internal audit review in the business income tax area showed that estimated payments for 1987 Forms 1041, U.S. Fiduciary Income Tax Return, have been processed to incorrect tax periods or as payments for individual income taxes, and over 40,000 payments did not initially post to accounts. Internal audit recommended, and management agreed that: (1) procedures

need to be established to process 1987 Forms 1041 payments upon receipt; (2) computer programs need to be in place to ensure payments post to the proper accounts; and (3) procedures need to be established to resolve unposted payments. Internal audit also made many recommendations to improve the 1987 tax forms, and most of these recommendations have been adopted by management.

Internal audit, because of the concern expressed that taxpayers may delay filing their new Forms W-4 and create significant under-withholding problems for themselves and reduced tax receipts to the government, conducted two surveys of employers to determine if the concerns were valid. These surveys provided timely, reliable data for the IRS Commissioner to respond to congressional concerns. Although the survey results were encouraging, internal audit still recommended that IRS should continue to encourage all taxpayers to promptly submit revised Forms W-4 to minimize any under-withholding and help prevent problems related to increased penalty assessments, delinquent accounts, and delinquent returns.

In 1987, \$266.3 million in additional revenue and cost savings were realized from management actions on internal audit reports. An additional \$462.1 million is projected on additional actions pending implementation.

## INTEGRITY PROGRAM

The combined efforts of internal audit and internal security focus on programs to prevent and detect fraud. Internal audit's program includes conducting reviews of internal controls and related transactions susceptible to employee fraud. In one such review, internal audit reported that IRS had changed its procedures to monitor access to accounts of employees or their spouses. The new procedures did not allow reviewers to readily identify suspect unauthorized access or patterns of misuse. This control weakness permitted an employee to make multiple accesses to another employee's account and to process more than 40 fraudulent returns/refunds.

Internal security's program consists of tests of high-risk activities where there is potential for corruption that could affect IRS integrity. One of the probes conducted was a project designed for the purpose of identifying, monitoring and investigating persons who attempt to corrupt IRS employees involved in returns compliance measurement programs (RCMP) on pre-identified illegal operations (i.e. gambling, prostitution). This project resulted in detecting several bribe offers, referrals to criminal investigation for tax violations, and large assessments involving delinquent Forms 940 and 941 taxes.

Internal security continued to make a concerted effort to foster concern about corruption, fraud and waste, and participated in presentations to new and incumbent employees to raise the employees' consciousness of the high standards expected of IRS employees and to provide guidance in the recognition of potential hazards.

## STATISTICS OF INCOME (SOI)

IRS contributed to the implementation of the new tax reform legislation in many ways, but particularly by preparing tax return statistics for the Department of the Treasury's Office of Tax Analysis and Congressional Joint Committee on Taxation. These statistics are critical for determining the impact on revenue of existing and proposed legislation.

IRS issued statistics of income publications covering individual income tax returns for 1985 and corporate income tax returns for 1984, a source book showing detailed financial data for corporations for 1984 by industry. IRS also published the quarterly SOI Bulletin, which presents key data in advance of SOI reports or in place of SOI reports formerly published. IRS issued the individual income tax model for 1985, which is a microdata magnetic tape file consisting of selected income, deduction and tax items taken from a random sample of individual income tax returns. This file consists of approximately 100,000 unidentifiable records representing the 101 million returns filed. The primary use of the file is to simulate the administrative and revenue effects of tax law changes.

The SOI division played a major role in support of IRS's renewed emphasis on providing quality service to its customers. Specifically, the division provided continuing quality improvement support services, such as instructing, facilitating, and consulting for the quality training program. The division also assisted in several quality improvement projects involving various IRS functions.

## DIRECTOR OF PRACTICE

The director of practice administers and enforces regulations for individuals who represent taxpayers before the IRS. During 1987, the start-up year mandating continuing professional education for those enrolled to practice before the IRS was concluded. The mandate of continuing education for a segment of the private sector is unique in the Treasury Department and was extremely successful in its implementation. Almost 23,000 people participated in the program.

At the end of 1986, a notice of proposed rule-making was published that would amend the regulations in Treasury Department Circular No. 230. The notice proposed a standard to be used by tax practitioners concerning advice on positions to be taken on tax returns and in tax return preparation. Over 500 comments were received last year, and a number of articles on the proposal were published. The comments were reviewed and evaluated and a meeting was held with representatives of the tax practitioner community to discuss alternatives available to resolve the issues raised. At the end of 1987, the proposal was being considered for appropriate resolution.

## LEGISLATIVE AFFAIRS

Planning for the implementation of the Tax Reform Act of 1986 was one of the principal activities of the legislative affairs division during 1987. The division worked closely with the tax committees in the House and Senate, as well as the Joint Committee, as the tax reform bill moved into its final form. Even as the President signed the bill into law, the division was developing the Servicewide Implementation Plan, the agency's detailed planning document of all the actions IRS is undertaking to implement the new tax law. The division was also involved in communicating IRS's tax reform plans by conducting IRS executive seminars, issuing legislative affairs updates, and heading congressional outreach efforts.

Monitoring the progress of other tax and related legislation of interest to IRS is another vital role of the legislative affairs division. At the close of last year, the division was tracking 29 bills, including the Taxpayer Bill of Rights and the revenue-raising provisions being considered by the 100th Congress.

The division also develops legislative proposals and coordinates with other IRS activities in the drafting of legislation, prepares and monitors plans to implement newly enacted tax legislation, and develops testimony for IRS officials appearing before congressional committees.

Legislative affairs coordinated preparations and follow-up activities for 19 congressional hearings, handled 29 final and 13 draft General Accounting Office issuances, and received nearly 10,800 congressional telephone inquiries, and over 7,400 written congressional and other requests.

## COMMITMENT TO QUALITY SERVICE

IRS expanded its efforts to provide quality products and services to its customers. The Commissioner's Quality Council, renamed the National Quality Council with the addition of two officials from the National Treasury Employees Union, guided IRS in massive training efforts, the implementation of quality service initiatives, and the installation of a servicewide quality improvement process.

The IRS Strategic Issues Plan was expanded to include a new area of concern, "Commitment to Quality Service." Five new initiatives approved by the Commissioner and his quality council are:

- Ensure that functional goals and program effectiveness measures reflect the commitment to quality service.
- Develop a greater concern for the customer.
- Identify and remove barriers to quality and foster a climate of innovation and creativity.
- Instill a commitment to quality.
- Adapt management information systems to track progress in meeting the commitment to quality service.

## GENERAL ACCOUNTING OFFICE/IRS JOINT MANAGEMENT REVIEW

Recognizing the need to continue to improve the quality of the total system of management within IRS, the Commissioner invited the General Accounting Office's general government division to join with the agency in conducting a review of the structure and processes by which IRS is managed.

The Commissioner used preliminary data from the management review to help him in responding to several challenges, including the recent IRS organizational restructuring. It is anticipated that the resulting final reports of this management review will reflect both the strengths and the weaknesses of IRS's managerial structure and processes and can be used as an aid in formulating IRS plans for continued improvement.

## EQUAL EMPLOYMENT OPPORTUNITY

IRS made significant advances in its Equal Employment Opportunity (EEO) Program. This progress was partially reflected in the increase in the total number of women and minorities employed full-time by IRS.

A computer-based personnel management information system was used to generate affirmative action plan data for all planning and reporting units and to consolidate regional and service-wide data. Projects were also identified for future computerization.

IRS helped the Treasury Department design a new EEO investigator training course. Because of this course, IRS employees serving as EEO investigators are able to receive timely and relevant training, and the overall quality of investigators has improved.

A conference of all regional EEO officers was held to discuss the IRS implementation of the new five-year affirmative action plan process required by the Equal Employment Opportunity Commission.

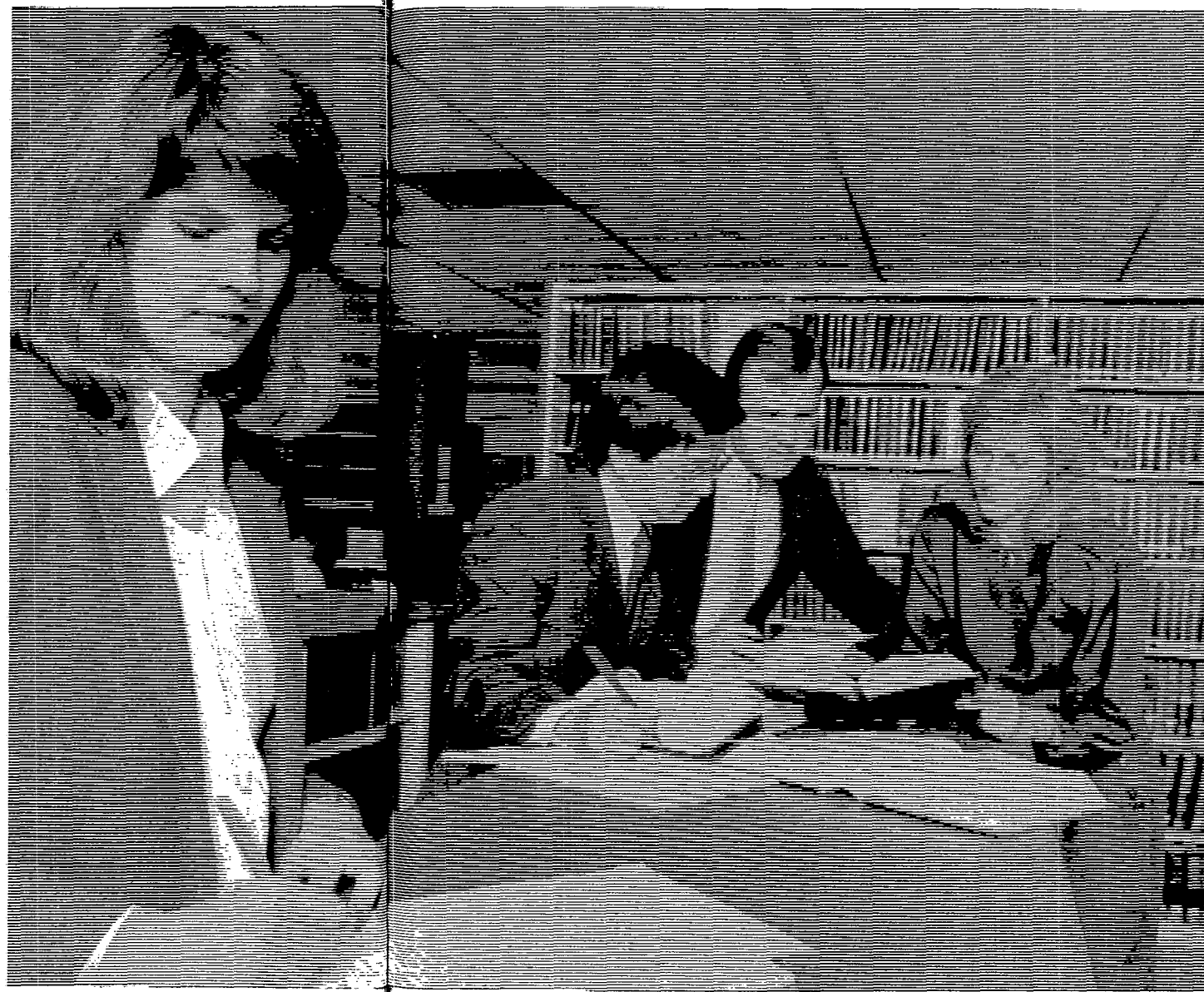
IRS continued its program with Historically Black Colleges and Universities (HBCUs) under Executive Order 12320. As a result, instructors in accounting and income tax have been provided at no cost to the host institutions. The role of instructors has included recruitment at the HBCUs.

A special project was initiated to determine how approximately 200 IRS braille users could obtain equipment and materials in a more timely and economical manner.

In addition to traditional special emphasis programs, IRS established two new initiatives—a servicewide Asian Pacific Employment Program and a Native American Employment Program. This action represents one of the measures taken to further enhance employment opportunities for Asian Pacific and Native American job applicants and employees.

## CHIEF COUNSEL SECTION

The Office of Chief Counsel is the legal counsel for the Commissioner of Internal Revenue. Chief Counsel represents the Commissioner in cases filed with the U.S. Tax Court, advises the Department of Justice of the basis for the IRS position in other tax litigation and provides legal advice to IRS personnel. Chief Counsel prepares revenue rulings, revenue procedures, and regulations to provide guidance to the IRS and the public on new and proposed legislative changes.



## TAX REFORM LEGISLATION

Chief Counsel was actively involved throughout the development of the Tax Reform Act of 1986 legislation. The principal representatives in the legislative process were the legislation and regulations division, the employee plans and exempt organizations division, and the international organization. However, all components in the Office of Chief Counsel were involved in the tax reform legislative process. Attorneys attended hearings and mark-up sessions, participated in drafting sessions, and analyzed and commented on many drafts of statutory language and committee reports. Many potential technical and administrative problems in the law were identified because of this involvement and corrected before enactment of the Act. Sections of the 1986 Act for which early guidance would be needed were also identified.

Another effort to provide prompt guidance under the 1986 Act was to close old regulations projects that were no longer needed. In late 1986, Chief Counsel closed 133 old regulations projects to make way for new ones. Some projects are closed to permit more efficient use of resources; however, the closing of a project does not necessarily mean that guidance will not be furnished in the area. Many issues in the closed projects will be included in projects under the 1986 Act. In other cases, the rulings divisions can provide guidance through revenue rulings, revenue procedures, or the private letter ruling process.

To implement prior legislation, guidance to the public was provided primarily through comprehensive regulations. Various vehicles are being used in implementing the Tax Reform Act of 1986, including notices, revenue rulings, regulations, announcements and news releases. Chief Counsel adopted a policy of addressing essential issues first and less important issues later in order to provide prompt guidance under the Act.

## CORPORATION AND INDIVIDUAL TAX DIVISIONS

The corporation and individual tax divisions issue letter rulings and technical advice memoranda that interpret and apply the tax laws to specific sets of facts. The rulings divisions also respond to general information requests and are responsible for the development of revenue rulings and revenue procedures that are published in the Internal Revenue Bulletin.

The divisions published 17 revenue rulings and procedures on various aspects of the Tax Reform Act of 1986, and have 30 additional items pending publication.

Chief Counsel expanded procedures for issuing private letter rulings under Internal Revenue Code sections for which regulations have not been adopted. Historically, private letter rulings are issued in the absence of regulations only if the answer seems clear or reasonably certain. Revenue Procedure 87-7, 1987-2 I.R.B. 15, changed this procedure by listing Code sections affected by the Tax Reform Act for which IRS will do its best to issue rulings, even when the answer does not seem reasonably certain. Revenue Procedure 87-7 also provided that when the IRS has closed (or does not intend to open) a regulation project on a new or amended Code section, any ruling request under that Code section will be considered unless the issue is covered by a specific no-rule provision.

A reorganization of the rulings divisions balanced staffing and workload and further enhanced managerial effectiveness by giving first-line managers total program responsibility (rulings and publications) for tax areas under their jurisdiction and promoted the professional development of attorneys by expanding the jurisdictional areas of the Code handled by each branch.

An automated case tracking and management system for the revenue ruling program was a significant development. The system maintains statistical information concerning every step in the processing of a revenue ruling from the time a project is opened until it is closed.

## EMPLOYEE PLANS AND EXEMPT ORGANIZATIONS DIVISION, INTERPRETATIVE DIVISION, AND LEGISLATION AND REGULATIONS DIVISION

These divisions were actively involved in implementing the Tax Reform Act by assisting in formulation of the legislation, drafting and legal review of proposed regulations under the Act, and legal review of proposed revenue rulings and IRS announcements implementing and clarifying new tax law provisions. Attorneys from these divisions also worked with IRS officials to resolve many statutory and administrative problems.

A task force from the employee plans and exempt organizations division and the Department of Labor coordinated efforts of the two agencies in the administration of "mirror image" provisions of the Internal Revenue Code and Title I of the Employee Retirement Security Act of 1974 (ERISA) relating to prohibited transactions involving employee plans. The task force sought to clarify the responsibilities and policies of each agency and to develop a joint administrative strategy.

## INTERNATIONAL

A primary objective of the international office was to improve coordination last year between the office's regulatory guidance function (issuance of regulations, rulings and notices) and the litigation function for issues involving international transactions. International special trial attorneys were selected as liaisons in each of the seven regions. These attorneys specialize in international matters and advise the regional and district counsel and international examiners in the region.

The office worked with the assistant commissioner international to select issues which should receive close scrutiny at the examination level and to develop cases appropriate for litigation. The office participated in numerous continuing professional education seminars for international examiners to ensure a consistent and thorough application of international provisions of the Internal Revenue Code.

The office participated in several public seminars, and published more than forty-five revenue rulings, revenue procedures or notices as taxpayer guidance. Thirty-six new projects were initiated under the Tax Reform Act of 1986. Proposed regulations concerning the foreign tax credit and interest allocation were published.

## CRIMINAL TAX

The criminal tax function performs a wide range of legal tasks concerning matters investigated by the criminal investigation division special agents. Attorneys provide advice and assistance to the agents in the gathering of evidence and prosecution potential of cases during the course of the investigation, and formally review cases for legal sufficiency before referral by IRS to the Department of Justice for prosecution.

Of particular noteworthiness during the last year were:

**Criminal Trial Attorney Program:** The Attorney General authorized eight docket attorneys in district counsel offices nationwide to prosecute criminal tax cases. This program benefits IRS by providing tax-knowledgeable attorneys in field offices who can try criminal tax cases.

**Money Laundering Legislation:** Counsel worked closely with criminal investigation and the Commissioner's staff in developing recently enacted legislation in the money laundering area. It can be expected that this legislation will have a significant impact on IRS operations in future years.

Successful prosecutions included several cases involving abusive tax shelter promoters.

## DISCLOSURE LITIGATION

The disclosure litigation division assisted with the Government's defense in civil litigation using the disclosure statutes as a basis to challenge several key IRS programs. In the area of abusive tax shelters, an appellate court recently rejected a tax shelter promoter's disclosure challenge to prefilling notification letters sent to investors concerning the tax consequences of their transactions with the tax shelter.

In the lockbox program, under contract with Treasury and IRS, federal depository bank employees assist in the processing of estimated federal tax payments by opening estimated tax return vouchers, recording the payments, and depositing payments into Government accounts before forwarding the vouchers to the IRS service centers for further processing and posting. The system allows quicker access to the funds and reduces the float-time at a considerable increase in interest earned on Government deposits. The legality of the bank employees' access to tax information for processing purposes was upheld in a United States District Court and is currently on appeal.

Under the Freedom of Information Act, in a victory for taxpayer privacy in particular and the tax system in general, the Supreme Court recently held that IRS is not required to release otherwise confidential tax data to members of the public upon the mere removal of identifying details.

## GENERAL LITIGATION

The general litigation and collection functions reached an agreement with the Office of the Secretary of State of Connecticut to implement a system of electronic filing of notices of federal tax lien by the IRS and the electronic retrieval of such data by the state. This system makes the filing and retrieval of such information more cost efficient than the current manual practice, provides more timely and up-to-date information, and will be more error free than manual filing.

IRS district counsel attorneys directly represent the IRS's interests in bankruptcy rather than through another attorney in the U.S. Attorneys' Office in 37 offices. District counsel, with its broad knowledge of bankruptcy law and tax law, is well equipped to be of assistance and take immediate action. This program has assisted in avoiding the accrual of additional liability.

		Court	Non-court	Total
RECEIPT AND DISPOSAL OF GENERAL LITIGATION CASES	Pending Oct. 1, 1986	20,685	1,556	22,241
	Received during year	26,427	6,787	33,214
	Disposed of	24,449	6,457	30,906
	Pending Sept. 30, 1987	22,663	1,886	24,549

ties in chapter 11 cases. The arrangement provides a fast and direct method of resolving disputes through negotiations with the outside bar.

The general litigation division worked with its tax litigation counterpart, the pension and actuarial staff of examination, and the Pension Benefit Guaranty Corporation (PBGC), in connection with collection matters relating to under-funded pension plans of bankrupt employers in large bankruptcies for excise taxes due because of employer under-funding of their pension plans. This helps PBGC in obtaining a larger settlement of its claim for the omitted pension funds, and in obtaining monies in satisfaction of taxes.

## TAX LITIGATION

Chief Counsel devoted substantial resources to handling over 80,000 docketed cases in the United States Tax Court. The goal is to resolve these cases on a fair and reasonable basis as expeditiously as possible. New case tracking procedures were developed for early identification of cases which will be calendared for trial under the Tax Court's new first-in-first-out calendaring process.

The tax litigation division created a specialized staff to provide comprehensive litigation representation to the assistant commissioner, employee plans and exempt organizations, in the employee plan area. Litigation responsibility for Tax Court declaratory judgment cases was centralized in the division. The division worked with the field and national office functions to develop suitable cases for litigation.

During 1987, the number of docketed tax shelter cases increased to just over 58 percent of the Tax Court's inventory.

Approximately three-fourths of docketed tax shelter cases are being handled as part of a litigation project. Each project is managed by a single attorney or team of attorneys, who, together with a key appeals officer, establishes a uniform settlement position. The project is also responsible for developing the litigation position for all investors within the particular project. This approach enhances consistent treatment for investors and more efficient settlement or litigation of cases.

The IRS announced the major settlement initiatives to address the backlog of nondocketed tax shelter cases pending in examination. The initiatives authorized examination to apply settlements (determined by Counsel or Appeals) in certain tax shelter cases. The purpose of the initiatives is to close tax shelter cases with finality on an agreed basis at the earliest administrative level possible, thereby precluding the necessity of litigation.

The tax litigation division took the lead in devising procedures to implement the partnership procedures enacted by the Tax Equity and Fiscal Responsibility Act (TEFRA). Personnel met with the Tax Court and representatives of the private tax bar to resolve procedural issues, drafted proposed settlement rules for the Tax Court, initiated technical correction legislation, and argued several major motions before the Tax Court which have resulted in a number of key opinions in this area. The division also developed a computerized tracking system for TEFRA partnership cases.

Approximately thirty special trial attorneys are assigned the most significant trial work in the United States Tax Court. These well-experienced trial attorneys are given extra resources to develop and try their cases. This year a number of these cases came to trial, and the Government received several notable opinions, including some in the abusive tax shelter area and in the petroleum industry.

Status	District Courts			Claims Court			Total		
	Number of cases	Amount in (3) dispute	Amount in (4) suits	Number of cases	Amount in (3) dispute	Amount in (4) suits	Number of cases	Amount in (3) dispute	Amount in (4) suits
TAX LITIGATION—									
REFUND SUITS (1)									
Pending Oct. 1, 1986	2,958	\$686,394		955	\$1,236,915		3,913	\$1,923,309	
Received (6)	902	291,781		181	237,639		1,085	529,420	
(In thousands of dollars)									
Disposed (2)	689	72,994		124	64,117		813	137,111	
Amount in suits (4)			\$44,608			\$63,519			\$108,127
Amount not refunded (5)			38,792			42,204			80,996
Percent not refunded			87			66			75
Pending Sept. 30, 1987	3,171	905,181		1,012	1,410,437		4,185	2,315,618	

(1) Cases in courts of appeals and the Supreme Court are included under the columns representing the court of origin.  
(2) Disposals include cases tried, settled and dismissed.  
(3) Amount in dispute includes claims for refund of taxes, penalties, assessed interest and counterclaim amounts.

## INDUSTRY SPECIALIZATION PROGRAM

During the year, certain designated field and National Office attorneys advised revenue agents on development and evaluation of evidence and on technical positions for important tax issues found prevalent in major industries. Certain cases were designated for litigation of key issues.

## ADMINISTRATIVE APPEALS

The appeals division is responsible for resolving tax controversies, without litigation, on a basis that is fair to both the Government and the taxpayer, and in a way that enhances voluntary compliance and public confidence in the tax system. Appeals officers, located in major cities, meet with taxpayers and their representatives and are usually successful in resolving the disputed issues.

To encourage taxpayers to resolve their disputes administratively before petitioning the Tax Court, IRS simplified the requirement for requesting appeals consideration of issues raised in examinations conducted at a taxpayer's or a representative's place of business. Where the amount in dispute from such a field examination exceeds \$2,500 but does not exceed \$10,000 for any taxable period, the taxpayer needs to submit only a brief written statement of disputed issues with the reason for disagreement rather than a formal, legal-type of protest. With this change, the requirements for requesting appeals consideration in any case are either similar to or less than the requirements to petition the Tax Court.

A large number of the cases the appeals division resolves are tax shelters. The settlement provisions in a tax shelter promotion are offered to all investors in that shelter. Under IRS's Tax Shelter Initiative, announced in April 1987, appeals furnishes information on its shelter settlements to examination so that investor cases there may be resolved on the same basis as in appeals.

Appeals also has responsibility for providing specialized valuation assistance throughout IRS and to other government agencies on tax-related fair market value determinations for financial assets, real estate, art objects, and intangible property. During the year, the art advisory panel of outside experts considered 1,500 items with claimed values of \$97 million; the panel recommended \$17 million of changes to the value of these items.

Appeals has continued working with examination on development of the Automated Examination System. This system, when implemented, will enable many processes to be done electronically, such as tax, interest, and penalty computations. The speed and accuracy of appeals' service to the taxpayer should increase.

## GENERAL LEGAL SERVICES

The general legal services division (GLS) provides legal services to the IRS with respect to wide-ranging miscellaneous legal matters.

All legal work for the expanding refund offset program was provided by GLS. Under this program, amounts that taxpayers owe other governmental agencies are collected by offsetting those amounts against tax refunds owed the taxpayer. Last year, IRS collected considerable sums for several agencies participating in the refund offset program: continued the delinquent child support program on behalf of the fifty states, and defended the refund offset program in several lawsuits. GLS also provided advice to the criminal investigation division to implement the forfeiture proceedings under the Anti-Drug Abuse Act of 1986 and with respect to actual forfeitures under the program, and worked with the legislation and regulations division to draft applicable regulations.

The division provided training to IRS and Treasury personnel on government contracting principles; assisted the IRS in drafting the mission, organization, and procedures for several implementation groups; and continued to defend actions when IRS employees were sued in connection with their tax enforcement activities.

## OPERATIONS DIVISION

The first Computer Information Center in the IRS was established to provide nationwide responsibility for all computer use support for Chief Counsel. A key automation project is the Counsel Automated Systems Environment, which will enable Counsel to reduce the backlog of tax court cases and provide faster service to taxpayers (e.g. better rulings) without reducing quality.

Field testing was started on a pilot laser disc research system featuring a new CD Rom laser disc technology, as a possible fixed-cost alternative to present legal research systems. The project will test access to the laser disc system via a local area network.

Due to the increasing number of paralegals in Chief Counsel, an in-depth training program was developed for new field paralegals. The program focuses on criminal tax, general litigation, and tax litigation, besides covering general paralegal skills such as legal research and writing, ethics and disclosure, and statutes of limitation.

Region	Pending Oct. 1, 1986	Received*	Disposed	Pending Sept. 30, 1987
REGIONAL OFFICES				
North Atlantic	15,936	11,357	10,143	17,150
Mid-Atlantic	14,440	8,806	8,999	14,247
Southeast	11,759	9,783	10,286	11,256
Central	9,925	8,422	7,244	11,103
Midwest	11,208	8,403	7,893	11,718
Southwest	16,138	13,629	12,470	17,297
Western	45,990	23,103	24,122	44,971
Total regions	125,396	83,503	81,157	127,742
National office	2,322	1,160	280	3,202
Grand total	127,718	84,663	81,437	130,944

\*Received statistics are net numbers, i.e., actual number of cases received plus or minus transfers and adjustments to prior years' receipts.

	Total	Taxpayers' Requests	Field Requests
REQUESTS FOR TAX RULINGS AND TECHNICAL ADVICE (CLOSINGS)			
Total	22,502	22,165	337
Administrative provisions	163	145	18
Changes in accounting methods	4,135	4,135	—
Changes in accounting periods	10,725	10,725	—
Earnings and profits and determinations	1,469	1,469	—
Employment and self-employment taxes	977	959	18
Estate and gift taxes	488	415	73
Excise taxes	203	166	37
Individual income tax matters	2,238	2,204	34
Corporation tax matters	2,104	1,947	157

Type	Number
REVENUE RULINGS AND REVENUE PROCEDURES PUBLISHED	
Administrative	50
Employment taxes	2
Estate and gift taxes	1
Excise taxes	7
Exempt organizations	1
Income taxes	128
Employee plans	7
Tax conventions	6
Total	202

Action		Claims Court		District Court		Total	
		1986	1987	1986	1987	1986	1987
TRIAL COURT CASE RECORD  (Opinions rendered— refund litigation)	Decided in favor of the government	Number 46	69	282	325	328	394
		Percent 76.7	85.2	71.8	80.4	72.4	81.2
	Decided in favor of the taxpayer	Number 11	9	90	68	101	77
		Percent 18.3	11.1	22.9	16.8	22.3	15.9
	Decided partially for taxpayer and partially for the government	Number 3	3	21	11	24	14
		Percent 5.0	3.7	5.3	2.7	5.3	2.9
Total opinions		60	81	393	404	453	485

UNITED STATES TAX COURT—OPINIONS	Prevailing party (by decision line)		Summary & small tax case bench opinions		Published, memorandum & regular bench opinions		Total	
			1986	1987	1986	1987	1986	1987
	Decided in favor of the government	Number	354	240	351	285	705	525
		Percent	53.4	50.3	39.9	31.6	45.7	38.1
	Decided in favor of the taxpayer	Number	30	22	31	50	61	72
		Percent	4.5	4.6	3.5	5.5	4.0	5.2
	Decided—Rule 155	Number	268	204	396	461	664	665
		Percent	40.4	42.8	45.0	51.1	43.0	48.2
	Miscellaneous	Number	11	11	102	106	113	117
		Percent	1.7	2.3	11.6	11.8	7.3	8.5
Total opinions			663	477	880	902	1,543	1,379

UNITED STATES TAX COURT CASES  (in thousands of dollars)		All Tax Court Cases			Small Tax Cases		
		Number of cases (1)	Taxes and penalties In dispute	Deter- mined	Number of cases	Taxes and penalties In dispute	Deter- mined
	Pending Oct. 1, 1986 (2)	89,686	\$17,342,807		14,512	\$50,763	
	Received	43,496	7,534,258		14,230	87,361	
	Disposed	45,366	3,003,629	\$1,019,757	14,954	47,327	\$22,005
	Pending Sept. 30, 1987	87,816	21,873,436		13,788	90,797	

(1) Excludes income, profits, estate and gift and declaratory judgment cases.

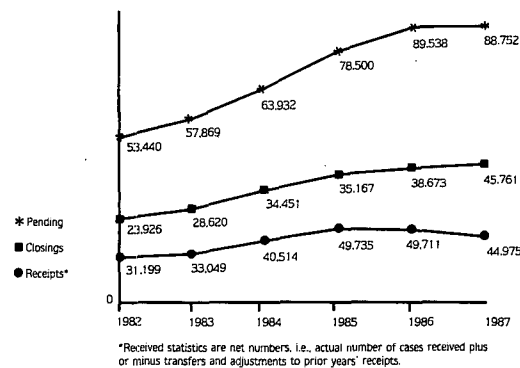
(2) Reflects Office of Chief Counsel statistics as opposed to U.S. Tax Court statistics.

RECEIPT AND DISPOSAL OF CRIMINAL TAX MATTERS	Prosecution cases received from criminal investigation	
	Total opened	3,526
	Total closed	3,394
	Counsel declined	41
	Department of Justice declined	145
	U.S. attorney declined	340
	Prosecutions completed	2,868
	Opinions	
	Pending Oct. 1, 1986	22
	Total requested	43
	Total rendered	41
	Pending Sept. 30, 1987	24

Action		Courts of Appeals		Supreme Court	
		1986	1987	1986	1987
APPELLATE COURT CASE RECORD (1)	Decided in favor of the government	Number 428	332	3	5
		Percent 87.5	85.3	75.0	83.3
	Decided in favor of the taxpayer	Number 47	45	1	1
		Percent 9.6	11.6	25.0	16.7
	Decided partially for taxpayer and partially for the government	Number 14	12	—	—
		Percent 2.9	3.1	—	—
Total opinions		489	389	4	6

(1) Refund suits and tax court cases.

#### TAX LITIGATION WORKLOAD (Tax court cases and cases on appeal)



## STATISTICAL TABLES

Table 1.—Internal revenue collections by sources and by internal revenue regions and districts, states and other areas

Table 2.—Internal revenue collections by sources

Table 3.—Internal revenue collections by principal sources

Table 4.—Amount of internal revenue refunds including interest

Table 5.—Number of internal revenue refunds issued

Table 6.—Number of returns filed

Table 7.—Returns filed, examination coverage and results (1987)

Table 7A.—Information returns and other correction programs (1987)

Table 8.—Returns filed, examination coverage and results (1986)

Table 8A.—Information returns and other correction programs (1986)

Table 9.—Additional tax and penalties recommended after examination by class of tax and by internal revenue regions, districts and other areas

Table 10.—Number of returns examined by class of tax and by internal revenue regions, districts and other areas

Table 11.—Returns examined by examination divisions

Table 12.—Examinations resulting in refunds (excluding claims for refunds)

Table 13.—Results of delinquent collection activity

Table 14.—Civil penalties assessed and abated

Table 15.—Appeals division workload not before the tax court (nondocketed)

Table 16.—Appeals division workload petitioned to the tax court (docketed)

Table 17.—Requests for EP/EO tax rulings and technical advice (closings)

Table 18.—Determination letters issued on ERISA employee benefit plans

Table 19.—Number of exempt organizations returns examined by type

Table 20.—Number of active entities on exempt organizations master file

Table 21.—Disposal of exempt organizations applications

Table 22.—Internal revenue collections, costs, employees and U.S. population

Table 23.—Costs incurred by the Internal Revenue Service by activity

Table 24.—Costs incurred by the Internal Revenue Service by office

Table 25.—Personnel summary

Table 26.—Chief Counsel cases received

Table 27.—Chief Counsel receipts and disposal of cases

Table 1.—Internal revenue collections by sources and by internal revenue regions, districts, states and other areas  
(in thousands of dollars)

Internal revenue regions and districts, states and other areas. 1 (States represented by single districts indicated in parentheses; totals for other states shown at bottom of table.)	Total internal revenue collection (1)	Individual income and employment taxes							Excise taxes, total (sum of columns 11, 12, 17, 21 and 25)				
		Corporation income tax (2)	Income tax not withheld and SECA (3)	Income tax withheld and FICA (4)	Railroad retirement (5)	Unemployment insurance (6)	Estate tax (7)	Gift tax (8)	Alcohol and tobacco (9)	Gasoline (10)	Other (11)	Black lung (12)	Recreational (13)
<b>United States, total</b>	<b>886,290,590</b>	<b>102,858,985</b>	<b>742,432,955</b>	<b>156,944,748</b>	<b>575,124,673</b>	<b>4,155,534</b>	<b>6,232,000</b>	<b>1,764,881</b>	<b>502,989</b>	<b>33,318,980</b>			
<b>North-Atlantic Region</b>	<b>158,413,372</b>	<b>20,896,512</b>	<b>133,743,438</b>	<b>77,777,366</b>	<b>104,867,263</b>	<b>228,518</b>	<b>870,292</b>	<b>1,460,332</b>	<b>124,530</b>	<b>2,385,561</b>			
Alabama	9,797,751	781,556	7,528,872	1,003,774	8,979,095	7,423	48,580	31,253	978	45,094			
Augusta (Name)	2,678,126	240,317	2,437,809	610,173	1,707,004	4,463	19,781	22,892	128	1,077,006			
Boston (Massachusetts)	3,229,087	3,229,087	24,064,477	5,234,327	18,594,341	30,529	204,880	228,203	5,970	441,896			
Brooklyn (See (b) below)	16,971,680	1,192,156	15,506,463	1,562,856	10,545,701	90,322	107,677	126,500	15,071	131,713			
Buffalo (See (b) below)	11,626,020	1,169,408	10,106,320	1,680,393	8,343,292	3,339	81,107	77,234	508	270,459			
Burlington (Vermont)	1,291,720	1,123,374	1,123,374	306,755	801,733	5,484	9,402	6,876	200	27,068			
Hartford (Connecticut)	21,615,637	2,715,782	18,363,624	3,790,469	14,507,271	5,227	68,408	200,851	4,147	340,032			
Mannhattan (See (b) below)	60,123,344	10,392,215	47,965,827	8,626,882	38,785,503	85,418	288,054	177,893	95,707	921,691			
Portland (Maine)	3,594,738	303,164	3,165,042	916,315	2,225,146	12	23,568	19,764	959	105,810			
Providence (Rhode Island)	5,543,363	531,052	5,012,311	1,516,412	3,536,941	1,531	84,845	18,550	674	36,429			
<b>Mid-Atlantic Region</b>	<b>134,981,371</b>	<b>15,778,879</b>	<b>114,070,196</b>	<b>21,777,557</b>	<b>90,651,093</b>	<b>1,297,420</b>	<b>4,151,228</b>	<b>902,533</b>	<b>75,480</b>	<b>833,566</b>			
Baltimore (Maryland & D.C.)	28,046,994	2,675,072	24,351,443	3,931,347	20,000,735	335,484	83,884	178,519	10,394	333,566			
Newark (New Jersey)	41,507,251	4,962,939	34,922,749	7,110,847	27,579,960	40,865	101,856	238,084	25,111	1,559,379			
Philadelphia (See (b) below)	27,744,424	3,313,633	23,827,914	4,793,116	18,254,815	478,666	331,318	500,000	16,510	575,265			
Pittsburgh (See (b) below)	13,352,041	1,530,625	11,451,051	1,964,945	9,285,526	26,748	174,432	91,209	4,652	273,903			
Richmond (Virginia)	18,785,244	1,977,207	15,571,458	3,468,442	11,571,103	415,623	124,331	175,211	16,850	1,478,478			
Washington (District of Columbia)	5,543,363	1,516,412	3,936,941	509,695	3,378,925	45	48,295	18,511	1,863	69,636			
<b>Southwest Region</b>	<b>114,877,119</b>	<b>12,579,896</b>	<b>99,140,292</b>	<b>25,867,471</b>	<b>72,267,437</b>	<b>508,833</b>	<b>758,552</b>	<b>1,098,136</b>	<b>81,251</b>	<b>6,564,755</b>			
Albuquerque (New Mexico)	19,572,213	2,946,179	15,144,972	3,048,507	11,596,390	2,309	137,776	153,652	19,593	1,817,817			
Birmingham (Alabama)	8,592,472	740,065	7,544,250	1,521,371	5,957,171	3,045	62,698	61,280	4,326	240,550			
Columbia (South Carolina)	5,552,350	599,838	4,952,511	1,239,333	3,713,178	817	52,868	47,213	1,013	163,365			
Ft. Lauderdale (See (b) below)	15,865,860	764,507	14,438,863	7,077,712	7,361,150	24	91,730	264,519	30,790	575,265			
Greensboro (North Carolina)	19,489,063	2,579,525	13,917,060	2,880,260	10,902,940	1,141	132,711	130,002	3,577	2,638,807			
Jackson (Mississippi)	3,716,910	406,900	3,109,726	758,314	2,351,412	8,887	31,107	24,581	247	176,457			
Jacksonville (Florida)	20,042,829	1,800,400	17,867,264	4,195,358	13,671,906	48,259	424,515	222,482	5,689	2,638,807			
Little Rock (Arkansas)	4,680,820	789,251	3,861,284	846,039	2,970,793	3,342	41,111	25,093	2,418	202,734			
Nashville (Tennessee)	12,542,265	1,390,694	10,631,727	2,409,052	8,198,401	2,529	21,735	90,004	6,106	430,733			
New Orleans (Louisiana)	1,979,096	471,152	1,479,224	329,022	1,178,559	1,250	107,559	82,362	4,461	1,067,807			
<b>Central Region</b>	<b>100,148,774</b>	<b>12,213,730</b>	<b>87,927,452</b>	<b>14,095,578</b>	<b>76,832,541</b>	<b>96,398</b>	<b>882,285</b>	<b>1,098,136</b>	<b>73,512</b>	<b>4,339,481</b>			
Cincinnati (See (b) below)	16,002,530	2,589,076	12,431,994	2,253,457	10,194,802	235	158,700	132,445	8,429	240,596			
Cleveland (See (b) below)	22,499,666	2,437,750	19,717,230	2,834,402	16,812,796	19,730	161,293	264,618	55,777	1,067,807			
Detroit (Michigan)	39,886,453	4,817,178	34,999,966	4,453,809	29,314,432	62,620	265,106	193,547	18,967	800,785			
Indianapolis (Indiana)	17,799,727	1,344,997	15,839,958	2,517,468	13,221,436	10,323	89,291	89,908	8,412	516,942			
Louisville (Kentucky)	7,465,550	771,229	6,694,321	1,460,386	4,720,678	4,710	52,603	65,098	629	1,364,897			
Pittsburgh (See (b) below)	2,893,789	155,450	2,504,789	575,454	1,988,287	321	40,726	28,105	407	106,975			
<b>Midwest Region</b>	<b>124,863,494</b>	<b>17,532,661</b>	<b>107,330,833</b>	<b>21,203,717</b>	<b>86,126,117</b>	<b>1,234,182</b>	<b>956,336</b>	<b>851,821</b>	<b>57,547</b>	<b>3,078,377</b>			
Aberdeen (South Dakota)	1,241,889	78,806	1,163,083	252,251	910,832	1,867	8,927	1,867	22	94,811			
Chicago (See (b) below)	44,760,353	6,643,322	38,116,996	7,067,631	31,049,365	27,576	429,083	348,800	23,495	1,544,339			
Des Moines (Iowa)	3,329,896	325,778	3,004,118	604,946	2,399,172	8,098	39,819	51,112	1,147	173,031			
Fargo (North Dakota)	1,284,771	68,055	1,216,716	354,135	862,581	811	8,433	7,700	25	26,003			
Helena (Montana)	1,536,786	258,320	1,278,466	347,650	930,816	390	8,886	10,278	79	57,282			
Madison (Wisconsin)	14,221,311	1,911,613	12,309,698	2,397,585	9,912,113	96,282	121,632	7,501	383,639	1,182			
Omaha (Nebraska)	5,175,895	491,537	4,684,358	844,060	3,840,298	478,121	34,682	61,862	1,182	31,861			
St. Louis (Missouri)	21,239,175	3,478,032	16,861,750	2,862,114	13,837,955	32,492	133,169	155,435	14,686	779,823			
St. Paul (Minnesota)	20,331,832	2,403,831	17,779,220	2,459,320	14,288,861	416,186	114,864	81,54	6,638	558,986			
Springfield (See (b) below)	8,737,558	1,327,687	7,409,871	1,441,159	5,968,073	11,990	85,099	57,108	2,772	182,870			
<b>Southwest Region</b>	<b>95,121,784</b>	<b>7,604,329</b>	<b>87,517,455</b>	<b>16,832,465</b>	<b>70,684,990</b>	<b>363,542</b>	<b>480,322</b>	<b>816,824</b>	<b>42,296</b>	<b>5,583,522</b>			
Albuquerque (New Mexico)	2,688,271	299,170	2,329,099	554,436	1,774,663	201	31,294	23,207	737	327,184			
Austin (See (b) below)	11,450,747	616,036	10,418,090	2,638,796	7,831,830	2,233	56,869	114,433	7,004	1,333,500			
Cheyenne (Wyoming)	3,762,729	36,354	3,726,375	330,280	3,396,095	537,620	20	5,504	7,922	262			
Dallas (See (b) below)	24,490,441	2,094,470	20,407,030	4,963,679	15,443,351	31,184	169,751	225,295	13,821	1,749,824			
Denver (Colorado)	13,049,577	851,675	11,792,358	2,034,806	9,699,162	31,968	63,420	65,699	2,952	399,893			
Houston (See (b) below)	15,728,331	1,413,658	12,342,121	2,813,542	9,528,579	12,809	93,758	104,219	6,516	1,861,818			
Oklahoma City (Oklahoma)	6,222,880	905,618	5,317,262	1,472,700	3,844,562	433	48,147	115,018	5,783	562,899			
Phoenix (Arizona)	8,159,163	606,192	7,271,106	1,582,802	5,688,304	528	57,287	94,720	4,139	183,006			
Salt Lake City (Utah)	3,367,444	302,736	3,064,708	605,747	2,458,961	2,089	23,260	16,200	44	139,273			
Wichita (Kansas)	6,976,801	566,420	6,152,984	1,430,545	4,722,439	281,996	49,761	50,110	1,138	208,180			
<b>Western Region</b>	<b>132,427,198</b>	<b>13,711,915</b>	<b>118,715,283</b>	<b>28,458,354</b>	<b>90,256,929</b>	<b>335,309</b>	<b>776,708</b>	<b>1,245,805</b>	<b>46,059</b>	<b>3,584,023</b>			
Anchorage (Alaska)	1,514,239	65,159	1,449,080	307,087	1,141,993	1,060	8,422	4,761	54	22,537			
Boise (Idaho)	2,209,929	261,231	1,879,974	359,569	1,489,887	14,508	16,562	13,430	95	55,199			
Honolulu (Hawaii)	2,809,135	254,775	2,479,536	817,106	1,662,430	112	17,478	26,753	2,587	45,484			
Laguna Niguel (See (a) below)	21,490,185	2,105,467	18,958,836	5,525,136	13,274,467	469	150,765	168,814	8,667	235,360			
Las Vegas (Nevada)	35,451,733	486,965	33,944,768	947,953	1,962,579	10	24,430	41,695	1,854	55,854			
Los Angeles (See (a) below)	35,461,744	5,092,873	29,163,689	6,712,804	22,221,548	269	229,688	300,295	13,520	811,365			
Portland (Oregon)	7,166,000	789,188	6,087,241	1,397,376	4,689,865	11,798	6,613	9,977	521	280,651			
Sacramento (See (a) below)	9,920,617	988,787	8,931,830	3,093,433	5,794,946	1,571	66,437	88,027	4,765	234,100			
San Francisco (See (a) below)	15,549,287	1,952,226	13,597,061	3,238,554	10,358,506	304,137	50,843	222,763	6,534	1,379,232			
San Jose (See (a) below)	15,023,545	1,942,032	13,081,513	3,502,407	10,010,740	1,230	102,458	138,899	3,148	222,631			
Seattle (Washington)	13,780,954	1,098,825	12,347,074	2,756,924	9,590,150	1,269	94,245	191,491	4,291	641,573			
International 5	8,789,867	1,200,969	7,588,898	3,472,571	4,116,327	21,990	48,062	19,781	2,213	213,298			
Puerto Rico	1,432,448	107,377	1,325,071	134,213	1,190,858	111	28,450	540	17	150,301			
Other	5,559,420	559,632	3,283,393	806,744	2,441,046	21,992	19,612	19,241	2,196	24,9			

Table 1.—Continued  
(in thousands of dollars)

Internal revenue regions and districts, states and other areas. (States represented by single districts indicated in parentheses; totals for other states shown at bottom of table.)	Retailers' and special fuel taxes				Motor-vehicle chassis, bodies, parts and accessories			
	Total (17)	Diesel fuel (18)	Non-commercial aviation fuel (19)		Total (20)			
United States, total	3,762,584	2,659,494	82,328		1,020,554			
North-Atlantic Region	225,544	145,095	6,868		74,482			
Albany	18,914	15,157	157		7,151			
Augusta	12,150	12,150	232		4,363			
Boston	33,352	33,352	19,087		10,987			
Brooklyn	20,408	14,984	962		36,250			
Buffalo	48,613	36,425	1,446		26,145			
Burlington	9,189	7,323	107		7,757			
Hartford	22,495	13,841	1,052		71,296			
Manhattan	8,061	5,958	1,446		570,190			
Providence	19,263	7,781	202		2,743			
Rhode Island	7,038	4,084	123		2,443			
Mid-Atlantic Region	411,302	270,306	14,500		125,895			
Baltimore	53,543	34,119	402		19,023			
Newark	83,665	45,172	7,314		31,179			
Philadelphia	123,786	77,565	658		45,562			
Pittsburgh	54,912	40,168	3,071		11,673			
Richmond	73,037	57,157	1,284		14,596			
Wilmington	22,558	16,726	1,771		3,861			
Southeast Region	713,207	502,417	15,224		152,568			
Atlanta	111,206	84,641	2,421		24,145			
Birmingham	60,477	39,256	769		20,449			
Columbia	35,158	21,137	1,183		6,918			
Ft. Lauderdale	85,270	71,942	1,588		11,640			
Greensboro	105,579	66,821	1,770		40,988			
Jackson	40,560	29,265	304		10,781			
Jacksonville	99,775	71,576	3,750		24,450			
Little Rock	52,584	32,967	756		19,211			
Nashville	83,980	51,704	1,463		30,812			
New Orleans	34,618	27,476	970		6,172			
Central Region	618,448	421,756	9,307		186,754			
Cincinnati	75,192	56,940	1,515		35,645			
Cleveland	200,189	178,011	2,151		20,027			
Detroit	181,739	125,251	2,518		81,362			
Indianapolis	131,029	72,499	1,687		56,863			
Louisville	60,136	50,861	450		8,884			
Pittsburgh	151,712	111,255	413		11,110			
Midwest Region	676,016	428,206	236,881		236,881			
Aberdeen	17,354	13,113	197		4,044			
Chicago	187,564	119,102	1,915		57,564			
Des Moines	73,956	45,204	625		28,126			
Fargo	14,662	11,128	164		3,369			
Helena	20,726	16,308	249		4,167			
Milwaukee	103,485	53,611	832		50,945			
Omaha	31,233	22,420	746		6,087			
St. Louis	119,465	77,628	2,466		39,292			
St. Paul	67,282	41,354	1,331		24,577			
Springfield	39,290	29,357	304		6,629			
Southeast Region	608,233	504,899	16,351		87,078			
Albuquerque	22,407	17,877	392		4,138			
Austin	86,213	74,625	2,855		8,733			
Cheyenne	15,709	14,908	242		559			
Dallas	171,981	140,335	3,433		29,214			
Denver	20,866	13,346	2,245		5,275			
Houston	65,493	35,498	2,864		7,131			
Oklahoma City	96,294	87,131	891		6,990			
Phoenix	39,369	33,649	891		4,830			
Salt Lake City	34,176	29,067	263		7,806			
Wichita	55,725	49,433	993		9,300			
Western Region	510,133	384,896	11,381		113,856			
Anchorage	2,555	2,177	339		1,970			
Boise	20,610	16,327	424		3,859			
Honolulu	2,482	1,601	616		676			
Laguna Niguel	67,539	51,710	1,770		14,059			
Las Vegas	20,464	17,583	804		2,077			
Los Angeles	69,063	50,357	1,521		17,175			
Portland	90,552	55,862	795		33,952			
Sacramento	44,992	37,088	875		7,029			
San Francisco	75,172	66,593	555		8,026			
San Jose	61,912	51,056	1,966		8,869			
Seattle	54,702	34,343	2,107		18,052			
International 5	398	407	51		598			
Puerto Rico	3	5	51		159			
Other	393	401	51		159			
Undistributed:								
Federal tax deposits <sup>a</sup>	—	—	—		—			
Gasoline, lubricating oil and excess FICA credits <sup>b</sup>	—	—	—		—			
Clearing account for excess taxes—aviation fuel and oil—Air Force and Navy	—	—	—		—			
Presidential election campaign fund <sup>c</sup>	—	—	—		—			
Earned income credits <sup>d</sup>	—	—	—		—			
Other <sup>e</sup>	—	—	—		—			
Totals for states not shown above								
(a) California	318,668	256,803	6,707		55,158			
(b) Florida	185,045	143,518	5,438		36,090			
(c) Illinois	226,874	148,450	2,219		76,195			
(d) New York	65,064	50,357	1,521		17,175			
(e) Ohio	235,381	224,951	4,888		34,767			
(f) Pennsylvania	178,698	117,733	3,729		57,286			
(g) Texas	323,687	270,458	9,152		44,078			

Table 1.—Continued  
(in thousands of dollars)

	Miscellaneous excise taxes										Unclassified excise tax line 14 (29)
Internal revenue regions and districts, states and other areas. (States represented by single districts indicated in parentheses; totals for other states shown at bottom of table.)	Telephone and telegraph services (22)	Airline travel and transportation (23)	Wagering taxes (24)	Use tax on highway motor vehicles (25)	Private foundations net investment income (26)	Windfall profit tax (27)	Other (28)				
Total (21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)				
United States, total	2,522,062	2,913,249	10,106	556,006	218,192	14,910	1,020,847			974,162	
North-Atlantic Region	319,854	212,857	27	42,351	74,371	14,771	167,325			154,111	
Albany (See (d) below)	18,432	2,118	3	3,292	562	11,591	476			(9,802)	
Augusta (Maine)	4,363	719	—	2,647	210	171	564			651	
Boston (Massachusetts)	73,262	10,461	1,561	5	9,487	4,720	21	8,029		5,508	
Brooklyn (See (d) below)	36,250	3,077	27,840	2	4,395	12	3,445			(10,493)	
Buffalo (See (d) below)	26,145	8,779	499	5	7,273	2,124	22	7,343		6,632	
Burlington (Vermont)	7,757	594	—	—	7,924	73	2	200		1,936	
Hartford (Connecticut)	71,296	36,765	2,154	4	8,842	2,649	2,495	18,387		34,906	
Manhattan (See (d) below)	570,190	196,070	179,930	1	2,955	62,403	590	128,241		117,159	
Providence (New Hampshire)	2,743	336	68	5	1,776	355	2	201		3,068	
Rhode Island (Rhode Island)	2,443	4	131	1	1,401	457	10	439		8,607	
Mid-Atlantic Region <sup>a</sup>	1,452,556	1,124,840	196,749	92	73,054	31,819	(91,294)	127,266		129,434	
Baltimore (Maryland & D.C.)	304,443	121,986	157,094	8	6,295	2,454	—	6,809		41,812	
Newark (New Jersey)	1,026,757	895,765	35,260	—	15,226	5,466	(15,902)	90,942		(52,622)	
Philadelphia (See (d) below)	31,666	72,332	1,330	44	20,904	8,799	(80,450)	8,737		135,651	
Pittsburgh (See (d) below)	33,466	1,347	1,656	16	10,519	6,320	2,630	10,678		10,219	
Richmond (Virginia)	50,438	33,409	1,009	21	11,563	1,689	(4)	2,711		6,185	
Wilmington (Delaware)	15,756	1	400	3	4,909	3,046	8	3,389		(11,911)	
Southeast Region	863,346	1,881	278,785	24,688	1,846	34,719	278,634			—	
Atlanta (Georgia)	497,335	74,389	392,021	147	15,225	9,511	21	6,021		30,060	
Birmingham (Alabama)	79,336	62,327	301	60	12,522	446	10	5,370		16,723	
Columbia (South Carolina)	15,991	5,492	482	59	7,034	591	—	673		—	
Ft. Lauderdale (See (d) below)	33,910	209,549	13	17,073	5,454	(2)	(157)	17,155		—	
Greensboro (North Carolina)	209,311	42,880	141,114	25	18,668	4,363	10	2,230		2,308	
Jackson (Mississippi)	6,108	1,717	58	6,275	1,115	(6,631)	—	61,367		—	
Jacksonville (See (d) below)	33,209	70,330	20	14,976	175	84	4,853	94,855		—	
Little Rock (Arkansas)	25,406	932	181	12,133	473	7,752	—	22,634		—	
Nashville (Tennessee)	62,824	45,147	609	13,350	1,064	6	3,993	41,350		—	
New Orleans (Louisiana)	5,494	5,396	508	7	3,433	905	595	5,334		4,471	
Central Region	486,215	156,951	43,885	1,105	69,993	20,449	54,515	138,819		65,142	
Cincinnati (See (d) below)	35,645	15,548	2,230	158	1,521	(174)	—	10,352		—	
Cleveland (See (d) below)	155,934	43,249	1,253	167	4,237	54,345	34,815	75,405		—	
Detroit (Michigan)	169,889	43,416	14,477	143	17,731	10,642	507	71,922		(37,200)	
Indianapolis (Indiana)	87,730	42,962	9,073	387	16,383	2,992	17	7,976		16,141	
Louisville (Kentucky)	43,220	2,624	20,702	136	8,290	326	(189)	15,341		5,665	
Pittsburgh (West Virginia)	10,896	614	148	70	2,568	4	—	42,300		(2,130)	
Midwest Region	1,362,915	294,330	848,871	2,086	97,247	22,487	18,224	78,470		(96,447,978)	
Aberdeen (South Dakota)	4,551	1,225	69	29	3,187	19	2	120		—	
Chicago (See (d) below)	56,524	66,677	15,564	176	9,552	650	44,604	47,155		—	
Des Moines (Iowa)	19,742	6,831	339	18	10,564	506	3	1,381		—	
Fargo (North Dakota)	19,580	1,048	14	1	2,624	48	15,557	288		(14,495)	
Helena (Montana)	4,167	2,184	9	6	77	85	—	1,493		—	
Milwaukee (Wisconsin)	50,945	20,654	4,154	114	4,470	2,299	(85)	9,339		(3,142)	
Omaha (Nebraska)	55,869	43,854	379	232	6,880	541	337	1,546		—	
St. Louis (Missouri)	304,229	130,063	140,902	74	15,800	3,053	1,878	12,459		(13,749,459)	
St. Paul (Minnesota)	279,242	6,238	244,293	1,426	16,260	6,673	(219)	4,571		2,251	
Springfield (See (d) below)	28,914	15,267	175	6	8,425	519	4	4,718		5,587	
Southeast Region	1,314,585	97,448	576,829	888	75,342	20,893	219,404			—	
Albuquerque (New Mexico)	1,475	617	1,684	1	2,599	338	(3,199)	1,415		53,844	
Austin (See (d) below)	35,872	5,700	1,406	134	9,871	1,774	354	16,633		(64,883)	
Cheyenne (Wyoming)	4,092	—	—	—	4,494	1	4,974	—		—	
Dallas (See (d) below)	504,357	20,927	334,362	448	18,872	6,149	79,246	44,142		85,098	
Denver (Colorado)	87,565	54,794	8,601	2	6,515	2,441	9,743	5,579		27,346	
Houston (Texas)	440,179	2,781	—	—	5,770	7,163	226,143	103,174		—	
Indianapolis (Indiana)	142,424	2,098	—	196	2,588	9,314	1,945	107,518		21,093	
Phoenix (Arizona)	43,455	388	33,700	(3)	4,883	407	(75)	4,085		(11,021)	
Salt Lake City (Utah)	8,258	30	—	—	8,258	817	—	10,596		—	
Wichita (Kansas)	50,274	8,725	1,205	5	8,226	634	20,659	9,820		(6,504)	
Southwest Region	468,849	268,869	160,598	4,226	68,883	22,918	(292,329)	122,528		—	
Anchorage (Alaska)	12,853	3,999	7,670	593	8	910	—	3		1,123	
Boise (Idaho)	4,442	423	292	—	3,773	94	—	260		—	
Honolulu (Hawaii)	71,132	17,657	47	—	8,131	2,157	(43)	2,157		—	
Laguna Hills (See (d) below)	3,879	4,553	749	9	8,758	1,459	310	2,511		2,836	
Las Vegas (Nevada)	16,563	2,302	8,664	3,546	2,295	305	20	2,386		11,706	
Los Angeles (See (d) below)	22,970	2,240	—	—	7,505	9	40,252	14,255		—	
Portland (Oregon)	27,454	3,449	749	6	11,456	1,178	10	10,606		(50,407)	
San Diego (See (d) below)	22,203	4,087	501	58	8,812	249	319	15,435		(87,570)	
San Francisco (California)	195,265	141,361	128	974	5,191	6,252	(229,372)	36,201		195,265	
Sacramento (See (d) below)	30,964	783	4	4	3,772	953	578	3,321		6,931	
Seattle (Washington)	88,757	38,849	31,222	453	16,688	2,953	14	5,428		(1,410)	
Tucson (Arizona)	26,400	297	10,956	—	2,652	78	(3,956)	11,877		—	
Puerto Rico	12,640	—	—	—	—	—	—	12,412		5,609	
Total	17,900	207	10,874	—	2,651	74	(370)	4,464		5,748	
Underreported	—	—	—	—	—	—	—	—		—	
Other tax deposits <sup>b</sup>	—	—	—	—	—	—	—	—		240,667	
Gasoline, lubricating oil and excise FICA credits <sup>c</sup>	—	—	—	—	—	—	—	—		—	
Excise credits for excise taxes—excision tax <sup>d</sup>	—	—	—	—	—	—	—	—		—	
and oil—Air Force and Navy	—	—	—	—	—	—	—	—		—	
Presidential election campaign fund <sup>e</sup>	—	—	—	—	—	—	—	—		(9)	
Earned income credits <sup>f</sup>	—	—	—	—	—	—	—	—		—	
Other <sup>g</sup>	—	—	—	—	—	—	—	—		—	
Totals for states not shown above	—	—	—	—	—	—	—	—		—	
(a) California	281,402	227,215	96,593	202	40,727	18,373	(202,304)	100,593		133,065	
(b) Florida	366,527	31,944	279,879	33	32,049	7,179	82	4,495		112,010	
(c) Illinois	624,128	491,198	458,536	167	24,079	10,718	89	48,322		32,657	
(d) New York	251,377	217,877	181,719	11	20,715	12,219	76	139,565		19,825	
(e) Ohio	168,579	54,797	83,883	168	25,032	5,758	54,176	45,166		82,766	
(f) Pennsylvania	65,132	73,579	2,383	80	31,523	15,320	(77,651)	19,416		158,869	
(g) Texas	950,098	524,176	524,176	109	10,956	15,877	289,168	153,876		153,876	

Table 2.—Internal revenue collections by sources  
(in thousands of dollars)

Sources of revenue	1986	1987
<b>Grand total all sources</b>	<b>782,251,812</b>	<b>886,290,590</b>
Corporation income taxes total <sup>1</sup>	80,441,820	102,858,985
Regular	80,441,820	102,858,985
Exempt organizations business income tax <sup>2</sup>	153,024	243,862
Individual income and employment taxes, total	660,943,151	742,452,958
Income tax not withheld and SECA <sup>3</sup>	117,633,513	156,844,748
Income tax withheld and FICA <sup>4</sup>	543,000,596	575,124,673
Railroad retirement tax <sup>5</sup>	3,633,640	4,151,534
Unemployment insurance <sup>6</sup>	5,265,000	6,220,000
Estate tax <sup>7</sup>	6,814,417	7,186,681
Gift tax <sup>8</sup>	380,538	500,889
<b>Excise taxes, total</b>	<b>33,672,086</b>	<b>33,310,880</b>
Alcohol and tobacco taxes, total <sup>11</sup>	10,233,303	11,097,677
Manufacturers' excise taxes, total	8,927,742	10,221,574
Gasoline, 9 cents per gallon	16,854,574	6,925,028
Gasoline used or sold to make gasoline, 1 1/3 cents per gallon	2,706	6,640
Gasohol used or sold, 3 cents per gallon	48,578	232,122
Tires (wholly or in part of rubber) inner tubes and tread rubber	293,728	296,408
Petrol and revolvers, 10 percent	23,433	25,361
Shells and cartridges, 11 percent	63,255	71,263
Electric outboard motors and small devices, 3 percent	1,940	2,359
Bows and arrows, 11 percent	11,341	10,461
Firearms (other than pistols and revolvers), 11 percent	39,037	42,182
Shells and cartridges, 11 percent	35,892	34,978
Back lung, total	561,158	574,769
Underground mined coal, \$1.10 per ton	316,349	305,719
Underground mined coal - 4.4 percent of price per ton	39,819	36,389
Surface mined coal - 35 cents per ton	100,280	164,332
Surface mined coal - 4.4 percent of price per ton	29,822,726	202,146,97
<b>Retailers and special fuels, total</b>	<b>3,783,295</b>	<b>3,782,284</b>
Noncommercial aviation gasoline, 3 cents per gallon	10,356	9,719
Noncommercial aviation fuel other than gasoline, 14 cents per gallon	97,604	72,639
Desal and special motor fuels, 15 cents per gallon (in some instances 9 cents per gallon)	2,615,380	2,650,409
Motor vehicles chassis bodies etc., 12 percent	1,091,356	1,020,553
Motor vehicles chassis bodies etc., 12 percent	15,131,146	12,255,282
Telephone and teleprinter exchange services, 3 percent	2,339,153	2,522,052
Airline travel and transportation, total	2,707,534	2,913,249
Transportation of persons by air, 6 percent	2,463,509	2,653,568
Transportation of property by air, 5 percent	194,504	154,504
Use of international air-travel facilities, \$3 per person	89,057	96,177
<b>Wagering taxes, total</b>	<b>1,611</b>	<b>10,106</b>
Occupational tax, \$50 per year	1,033	1,064
Wagers, 0.25 percent of amount wagered	586	942
Use tax on highway vehicles <sup>12</sup>	56,075	558,006
<b>Exempt organizations, total</b>	<b>1,025</b>	<b>274</b>
Net investment income, 2 percent	225,249	218,102
Self dealing, 5 percent on self-dealer, lesser of \$10,000 or 2 1/2 percent on foundation manager	209	902
Excess business holdings, 3 percent on foundation	89	93
Taxable expenditures, 10 percent on foundation, lesser of \$5,000 or 2 1/2 percent on foundation manager	473	340
Failure to timely file certain information returns, \$10 per day up to a maximum of \$5,000	5,897	11,964
Failure to distribute income, 15 percent of undistributed income	1,388	951
Investments that jeopardize charitable purpose, 5 percent on foundation, lesser of \$5,000 or 5 percent on foundation manager	1	8
Tax on termination of status	3	3
<b>Employee pension plans, total</b>	<b>17,001</b>	<b>291,159</b>
Excess contributions, 6 percent of excess amount	7,965	4,763
Tax on underdistributions from an IRA, 50 percent of underdistribution	461	759
Employee benefit plans, total <sup>13</sup>	7,994	291,504
Penalties, total	14,710	1,114
Taxes on lobbying expenditures, 25 percent of taxable lobbying expenditures	9	11
Back lung benefit trusts excess contributions, 5 percent of excess amount	11	31
Crude oil windfall profits taxes, total, 22 1/2 percent to 70 percent of windfall profits <sup>15</sup>	8,866,967	14,910
Quarterly return amounts	8,836,638	(26,734)
Annual return amounts	30,329	43,645
<b>Environmental taxes, total</b>	<b>68,539</b>	<b>407,167</b>
Petroleum (imported), 11.7 cents per barrel	11,728	114,757
Petroleum (domestic), 8.5 cents per barrel	13,546	131,546
Chemicals, 22 cents to \$10.13 cents per ton <sup>16</sup>	54,872	114,864
Hazardous substances, \$2.13 per ton <sup>17</sup>	1,938	1,938
Additional tax on fuels, 21 cent per gallon <sup>18</sup>	46,000	46,000
<b>Other</b>	<b>330,345</b>	<b>307,956</b>
Foreign insurers, policies issued by, 1 cent or 4 cents per dollar of premium	139,720	115,133
Fuel economy vehicle tax, \$500 to \$3,850	141,603	145,900
Inland waterway fuel use tax, 10 cents per gallon	43,340	46,540
Macroeconomic <sup>19</sup>	(7378)	974,182
Unclassified excise taxes <sup>20</sup>	(5,403,481)	974,182

Table 3.—Internal revenue collections by principal sources  
(in thousands of dollars)

Fiscal year	Income and profits taxes										Employment taxes <sup>2</sup>	Estate and gift taxes <sup>3</sup>	Alcohol <sup>4</sup>	Tobacco taxes <sup>5</sup>	Manufacturers' excise taxes <sup>6</sup>	All other taxes <sup>7</sup>	
	Total internal revenue collections <sup>1</sup>	Corporation income and profits taxes <sup>2</sup>		Individual income taxes <sup>3</sup>		Employment taxes <sup>2</sup>	Estate and gift taxes <sup>3</sup>	Alcohol <sup>4</sup>	Tobacco taxes <sup>5</sup>	Manufacturers' excise taxes <sup>6</sup>							All other taxes <sup>7</sup>
		Total (2)	(3)	(4)	(5)												
1956	75,112,649	56,636,164	21,298,522	35,337,642	7,295,784	1,171,237	2,920,574	1,513,497	3,456,013	2,019,380							
1957	80,171,971	60,560,425	21,530,653	39,029,772	7,580,522	1,377,999	2,973,175	1,674,050	3,761,925	2,243,856							
1958	79,978,476	59,101,874	20,533,316	38,568,559	8,844,386	1,410,925	2,946,451	1,734,021	3,974,135	2,166,675							
1959	79,978,476	58,826,254	18,001,509	38,568,559	8,844,386	1,352,982	3,002,096	1,806,816	3,968,789	1,997,263							
1960	91,774,803	67,125,126	22,179,414	44,945,711	11,158,589	1,626,348	3,193,714	1,931,504	4,735,129	2,004,394							
1961	94,401,086	67,917,941	21,764,840	46,153,001	12,502,451	1,916,392	3,212,801	1,991,177	4,896,802	1,963,582							
1962	99,440,839	71,945,305	21,295,711	50,649,594	12,708,171	2,035,187	3,341,282	2,025,736	5,120,340	2,264,817							
1963	103,925,395	75,323,714	22,336,134	52,967,561	15,004,406	2,167,457	3,441,656	2,079,237	5,610,309	2,278,536							
1964	112,260,237	78,891,218	24,300,863	54,590,354	17,002,504	2,416,303	3,577,499	2,053,545	6,000,543	2,209,643							
1965	114,434,834	79,792,016	26,131,334	53,660,583	17,104,306	2,745,532	3,772,634	2,143,594	6,418,145	2,453,406							
1966	128,879,961	92,131,794	30,834,243	61,287,552	20,258,133	3,093,922	3,814,378	2,073,956	5,613,869	1,895,909							
1967	143,374,815	104,288,420	34,917,825	69,370,595	26,958,241	3,014,406	4,075,723	2,079,869	5,478,347	2,079,869							
1968	153,636,836	108,148,565	29,896,520	78,252,045	28,085,889	3,081,979	4,267,237	2,122,277	5,713,973	2,196,909							
1969	187,919,560	135,776,052	38,337,646	97,440,406	33,068,657	3,320,065	4,355,560	2,137,265	6,501,146	2,348,435							
1970	195,722,096	138,686,568	35,036,983	103,651,585	37,448,188	3,680,076	4,746,382	2,094,212	6,868,061	2,380,609							
1971	191,647,198	131,072,374	30,319,953	100,752,421	39,918,690	3,784,283	4,800,482	2,206,585	6,684,799	3,179,885							
1972	209,855,737	143,804,732	34,925,548	108,879,186	43,714,001	5,489,969	5,110,001	2,207,273	7,728,657	3,801,104							
1973	237,787,204	164,157,315	39,945,308	125,112,006	52,081,709	4,975,852	5,149,513	2,276,951	9,355,750	3,750,104							
1974	268,952,254	184,648,954	41,744,444	142,903,650	62,093,632	5,100,675	5,584,477	2,437,005	9,742,154	3,572,217							
1975	292,822,726	202,146,977	45,466,660	156,399,437	70,140,809	4,688,079	5,350,856	2,315,090	5,516,611	3,665,182							
1976	302,519,792	205,751,753	46,782,596	158,968,797	74,202,853	5,307,466	5,427,722	2,487,594	5,466,106	3,855,998							
1977 (TD)	75,452,780	49,567,484	9,808,905	39,758,579	18,932,041	1,455,247	2,822,821	622,821	1,543,329	1,048,007							
1977	358,139,417	245,876,967	60,049,804	186,755,263	85,076,316	7,425,325	7,425,325	2,541,501	6,868,682	3,558,833							
1978	399,778,389	278,438,289	65,380,145	213,058,144	97,291,653	5,381,499	5,612,715	2,450,913	6,555,861	4,045,829							
1979	480,412,185	322,953,733	71,447,876	251,545,857	112,849,874	5,519,074	5,519,074	2,495,917	7,097,612	3,848,450							
1980	519,375,273	359,867,392	72,779,910	287,547,782	128,330,480	6,498,381	5,704,768	2,465,416	6,487,421	9,980,416							
1981	606,789,103	406,563,302	73,733,156	332,850,146	158,815,816	6,910,386	5,684,413	2,583,857	6,068,156	26,059,173							
1982	632,240,520	418,599,768	61,779,556	356,819,936	168,711,536	6,143,373	5,684,413	2,583,857	6,068,156	26,059,173							
1983	627,349,793	411,407,522	61,779,556	349,627,967	173,847,854	6,225,877	5,534,831	4,139,810	6,306,262	19,574,653							
1984	680,475,229	437,071,349	74,179,370	362,891,679	199,210,028	6,176,667	5,402,467	4,663,610	10,107,930	17,843,479							
1985	745,811,541	474,072,337	77,412,769	366,659,568	225,214,568	6,579,703	5,998,100	4,483,193	10,020,574	17,103,077							
1986	782,251,812	497,010,004	80,441,820	416,964,771	223,978,380	7,194,956	5,625,458	4,607,845	12,374,766	11,041,971							
1987	886,290,590	568,311,471	102,858,985	465,432,486	277,000,469	7,667,870	11,097,577	(Footnote 11)	10,221,574	11,991,729							

\*Transition quarter.

## FOOTNOTES FOR TABLES 1—3

\*Less than \$500.

†Revised.

NOTE: Detail may not add to totals due to rounding. Negative amounts reflect adjustments made to prior reported data and credits for prior tax periods claimed against current tax period amounts.

1. The receipts in the various states do not indicate the federal tax burden of each source. In many instances, taxes are collected in one state from residents of another state. For example, withholding taxes reported by employers located near state lines may include substantial amounts withheld from salaries of employees who reside in neighboring states. Also, the taxes of some corporations are paid from a principal office, although their operations may be located in another state, or throughout several states.

2. Includes taxes on unrelated business income of exempt organizations amounting to \$113.8 billion (Forms 990).

3. Collections of individual income tax not withheld include old-age, survivor's, disability, and hospital insurance taxes on self-employment income (SECA). Similarly, the collections of individual income tax withheld are reported in combined amounts with old-age, survivor's, disability, and hospital insurance taxes (FICA) on salaries and wages. Estimated separate national totals for individual income taxes and for employment taxes are shown in the text table. Gross internal revenue collections, on page 2 and are used in obtaining national totals for individual income taxes and for employment taxes in Table 5.

4. Includes fiduciary income tax collections of \$8.4 billion.

5. The Office of the Assistant Commissioner (International) was formed during FY 1957. Data previously reported under Mid-Atlantic Region as "Foreign Operations" is now shown separately under "Internationals."

6. Tax payments made to banks, under the federal tax deposit (FTD) system, are included in the internal revenue collections for the period in which the FTD was purchased. However, such payments are not classified by internal revenue districts (nor by tax authorities) to which excise tax payments relate) until the IRS applies them to taxpayer's liabilities.

7. Represents credits allowable on income tax returns for certain gasoline, diesel, and special motor fuels tax payments and for excess payments under the Federal Insurance Contributions Act.

8. Designations by taxpayers of a portion of their taxes to the presidential election campaign fund are not collections, as such, because they do not affect taxpayer liability. Transfers of amounts to the fund are made on a national basis only and therefore have no effect on district and regional collection data.

9. Amounts offset against outstanding tax liabilities other than those for Forms 1040 and 1040A on which the credits were claimed.

10. Includes amounts contained in the national totals but not classified by state or district as of the end of the fiscal year. Also includes amount transferred to a special account for the Northern Mariana Islands.

11. Alcohol and tobacco tax detail as reported in previous years are not available for FY 1987. Beginning July 1, 1987, the Bureau of Alcohol, Tobacco and Firearms (ATF) assumed responsibility for all alcohol and tobacco tax collections. The total amount collected by ATF is shown as "Other," but is not available by type of tax or by state or district. State and district amounts shown reflect only amounts collected by IRS and may reflect significant variations from prior years.

12. Includes manufacturers' recreational excise taxes on pistols and revolvers, fishing rods, bows and arrows, firearms, shells and cartridges, and electric trolling motors and fish finding sonar devices.

13. Negative amounts primarily reflect credits and adjustments applied to current period liabilities to correct for the net income limitation and over-withholding in previous periods.

14. Contains, among other items, amounts paid into depositories but not yet classified into excise detail from Forms 720. Quarterly Federal Excise Tax Returns, filed generally, Forms 720 are filed and type of excise tax identified and reported in the quarter following the quarter of payment into a depository. Negative figures result from the classification of amounts previously reported as unclassified.

15. Corporate tax rates generally ranged from 15 to 34 percent of taxable income.

16. Individual income tax rates ranged from 11 to 38.5 percent of taxable income. Included were SECA taxes with an effective tax rate of 12.3 percent (14.3 percent less 2.0 percent credit) imposed on self-employment income through \$42,000 for tax year 1986 and through \$43,800 for 1987.

17. Income tax withholding rates ranged from 11 to 38.5 percent. Combined FICA rate of 14.3 percent was imposed on a wage base through \$42,000 for tax year 1986 and through \$43,800 for 1987.

18. Railroad retirement taxes are divided into two tiers for both employers and employees. The tier I tax rate was 7.15 percent each on the first \$42,000 and \$43,800 for 1987. Tier II taxes were 14.75 percent for employers and 4.25 percent for employees.

19. Employees of one or more persons in each of 20 calendar weeks or who paid wages of \$1,500 or more in any calendar quarter were taxed 6.2 percent on taxable wages up to \$7,000 for 1987. This tax was reduced by credits of up to 5.4 percent for unemployment contributions paid to states.

20. The Economic Recovery Tax Act of 1981 raised the estate and gift tax unified credit from \$47,000 to \$192,800 to be phased in over a five year period (\$155,800 credit for 1986 and \$192,800 for 1987). Also,

Table 4.—Amount of internal revenue refunds including interest  
(in thousands of dollars)

Internal revenue regions and districts, states and other areas. (States represented by single districts indicated in parentheses; totals for other states shown at bottom of table.)	Total <sup>1</sup> (1)	Corporation income <sup>2</sup> (2)	Individual income <sup>3</sup> (3)	Employment taxes <sup>4</sup> (4)	Estate tax <sup>5</sup> (5)	Gift tax <sup>6</sup> (6)	Excise taxes <sup>7</sup> (7)
United States, total	96,969,454	19,891,132	73,882,734	1,900,713	208,524	7,630	1,380,712
North-Atlantic Region	13,876,221	3,364,489	10,215,190	233,421	37,244	2,589	22,929
Albany	529,282	32,507	589,490	6,147	724	13	401
Augusta	343,366	38,263	354,196	5,016	471	—	419
Boston	2,335,232	500,532	1,988,278	40,432	2,909	11	3,071
Brooklyn	2,679,310	210,618	2,423,257	30,980	5,884	740	6,832
Buffalo	1,518,235	176,088	1,275,038	17,680	1,684	190	1,281
Burlington	145,157	17,681	124,106	1,897	295	—	178
Hartford	1,940,835	302,475	1,298,538	41,838	4,064	(11)	3,932
Manhattan	1,340,325	158,905	1,164,313	19,913	1,826	—	1,826
Pittsburgh	1,418,892	68,157	1,330,655	6,255	655	7	208
Providence	325,568	42,025	276,963	6,991	864	—	864
Mid-Atlantic Region	12,474,974	2,642,908	10,114,578	204,478	22,372	87,772	1,177,772
Baltimore	2,365,818	231,829	1,894,333	44,708	3,439	33	11,378
Newark	3,704,525	583,244	3,081,597	75,044	10,172	660	23,819
Philadelphia	2,708,222	504,203	2,194,099	40,599	3,483	(25)	37,703
Pittsburgh	1,330,753	196,756	1,106,655	18,774	2,549	(166)	6,575
Richmond	1,920,528	172,365	1,716,339	22,025	2,523	—	6,171
Wilmington	445,119	254,512	173,363	18,113	223	280	2,127
Southwest Region	14,294,877	1,669,983	12,339,153	191,528	25,231	1,571	37,402
Albuquerque	1,127,230	186,982	940,248	19,124	2,062	285	5,151
Birmingham	1,266,381	87,719	1,150,979	13,388	1,537	—	1,537
Columbus	876,196	51,461	824,735	9,921	263	(561)	454
Fort Lauderdale	1,567,230	14,477	1,444,333	23,388	3,865	157	1,012
Greensboro	1,954,100	428,101	1,477,415	20,592	3,365	141	4,486
Jackson	589,578	38,991	541,199	8,363	380	—	628
Jacksonville	2,325,828	241,142	2,082,371	30,237	6,632	51	17,729
Little Rock	548,212	62,954	478,570	5,412	719	—	527
Nashville	1,588,103	241,219	1,314,043	21,586	3,408	490	7,447
New Orleans	1,478,648	277,567	1,178,448	19,469	2,072	293	48,533
Central Region	12,553,833	3,365,003	8,919,830	141,860	15,993	80,842	90,842
Cincinnati	1,787,095	340,367	1,427,487	19,420	3,708	266	10,847
Cleveland	1,172,298	121,427	1,021,211	12,081	2,675	353	4,453
Detroit	1,381,680	1,450,221	62,321	6,220	1,062	166	13,002
Indianapolis	1,714,459	172,911	1,521,090	16,427	1,474	11	5,207
Louisville	865,185	126,500	738,685	3,167	3,071	729	1,729
Petersburg	500,207	34,025	478,675	5,533	446	—	1,527
Midwest Region	11,011,888	2,170,459	8,643,979	137,932	17,656	611	41,172
Des Moines	141,213	12,413	128,799	1,459	113	—	301
Chicago	3,882,911	585,176	2,950,240	53,327	6,154	135	13,990
Des Moines	714,198	89,108	605,335	8,849	1,089	138	1,382
Fargo	158,715	19,108	139,607	1,602	129	—	254
Helena	196,216	17,813	178,574	2,310	7	—	411
Milwaukee	1,445,347	245,345	1,199,999	12,476	1,598	13	8,886
Omaha	447,074	61,507	385,567	5,273	579	113	1,174
St. Louis	1,622,169	286,371	1,300,965	21,588	2,167	199	10,821
St. Paul	1,445,513	146,867	1,298,646	10,919	2,553	3	2,384
Springfield	958,027	221,835	736,192	3,059	119	1,679	1,679
Southwest Region	14,080,434	3,352,430	9,574,799	205,738	32,196	856	874,217
Albuquerque	1,127,230	186,982	940,248	19,124	2,062	285	5,151
Austin	2,329,974	428,531	1,566,096	20,758	5,642	319	510,808
Cheyenne	1,565,551	148,898	1,416,653	1,560	1,033	21	843
Dallas	2,224,513	822,888	1,229,903	51,622	7,687	93	42,310
Denver	1,242,786	227,065	894,330	14,935	2,503	79	3,267
Houston	1,134,168	1,302,948	1,302,948	3,718	63	147	149
Oklahoma City	1,332,368	293,975	818,745	10,360	3,773	45	163,480
Phoenix	1,441,087	173,167	1,267,920	14,511	1,870	17	479
Salt Lake City	441,751	59,432	373,884	6,237	977	—	1,220
Victoria	887,130	209,294	677,836	11,138	4,153	—	4,153
Western Region	16,721,532	3,679,542	12,653,934	247,287	55,294	423	45,053
Anchorage	297,540	40,117	257,423	3,565	288	—	1,186
Boise	221,402	24,471	196,931	2,893	101	—	322
Honolulu	32,626	30,894	295,523	3,977	1,313	—	518
Laguna Niguel	3,026,422	426,362	2,600,060	43,217	8,356	12	5,878
Las Vegas	379,151	38,118	341,033	5,182	1,793	4	947
Los Angeles	4,500,365	1,743,590	2,656,708	59,490	16,334	71	12,993
Portland	984,412	218,323	745,488	12,412	3,855	9	1,277
Sacramento	1,371,673	84,690	1,286,983	15,061	1,884	7	2,436
San Francisco	1,908,388	567,224	1,271,885	31,314	9,969	136	7,760
San Jose	2,031,243	323,345	1,644,032	29,052	4,578	146	10,223
Seattle	1,483,391	162,377	1,256,279	19,676	2,994	248	1,814
Washington	641,655	205,729	428,852	20,902	938	(92)	5,327
Palo Alto	70,304	2,433	67,871	13,223	8	—	4,269
Other	171,352	203,296	355,269	7,660	930	(93)	1,057
Other miscellaneous refunds	1,314,028	—	622,441	115,590	—	—	175,997
Gasoline and excess FICA credits	630,541	—	—	—	—	—	122,751
U.S. Customs Service	53,246	—	—	—	—	—	53,246
Earned income credit offsets	64,386	—	64,386	—	—	—	—
Refund reversals unclassified	568,054	—	568,054	—	—	—	—
Totals for states not shown above	—	—	—	—	—	—	—
(a) California	13,022,011	3,145,282	9,508,712	196,134	42,622	162	38,120
(b) Florida	3,854,058	285,619	3,478,901	51,680	12,147	821	6,809
(c) Illinois	4,840,938	1,107,011	3,643,136	59,707	9,213	161	15,668
(d) New York	8,166,172	2,105,717	5,860,499	130,851	28,214	2,567	14,683
(e) Ohio	4,960,382	1,561,794	2,833,598	48,301	6,363	424	59,381
(f) Pennsylvania	4,038,973	700,873	3,238,100	56,873	6,031	(192)	44,278
(g) Texas	6,463,391	2,383,407	4,080,391	103,341	17,047	475	70,575

<sup>1</sup> Includes windfall profits tax refund claims of \$1 billion of which \$941 million represents excess taxes.

<sup>2</sup> Includes earned income credits refunded, amounting to \$1.4 billion and refunds amounting to \$221 million paid on partnership and fiduciary income tax returns. (The latter amount is not included in the refund amount of \$72.4 billion shown in the narrative portion of this report.)

<sup>3</sup> The office of the Assistant Commissioner (International) was formed during FY 1987. Data previously reported under Mid-Atlantic Region as "Foreign Operations" is now shown separately under "International."

<sup>4</sup> Includes withheld income tax, FICA, Railroad Retirement and FUTA refunds and credits.

<sup>5</sup> Includes credits for gasoline and lubricating oil tax payments.

<sup>6</sup> The office of the Assistant Commissioner (International) was formed during FY 1987. Data previously reported under Mid-Atlantic Region as "Foreign Operations" is now shown separately under "International."

<sup>7</sup> Includes credits for excess payments under the Federal Old Age and Survivors, Federal Disability and Federal Hospital Funds, amounting to \$516 million.

<sup>8</sup> The source of this information is the U.S. Customs Service. Customs does not provide the count of the number of returns issued for this item.

<sup>9</sup> Includes refunds issued in September 1987 minus refund reversals received in September 1987 that were not classified by district before Sept. 30, 1987 (the end of the fiscal year). For accounting and comparative purposes, the data included in this table must agree with the actual transactions affecting the refund and interest appropriation account for the fiscal year.

<sup>10</sup> Less than \$500.

Table 5.—Number of internal revenue refunds issued

Internal revenue regions and districts, states and other areas. (States represented by single districts indicated in parentheses; totals for other states shown at bottom of table.)	Total (1)	Corporation income (2)	Individual income (3)	Employment taxes (4)	Estate tax (5)	Gift tax (6)	Excise taxes (7)
United States, total	80,801,349	738,798	77,794,951	2,118,012	12,297	1,052	138,325
North-Atlantic Region	10,723,035	82,357	10,698,891	236,262	2,054	122	13,045
Albany	176,369	4,715	169,268	16,483	79	6	848
Augusta	419,411	3,319	425,181	10,191	47	—	721
Boston	2,148,121	21,535	2,146,155	56,162	352	11	2,200
Brooklyn	2,310,341	23,347	2,286,994	56,320	338	20	2,122
Buffalo	1,497,117	10,620	1,476,666	26,973	180	1	1,677
Burlington	180,215	1,677	177,475	19,715	122	(1)	356
Hartford	1,299,019	17,798	1,281,244	47,619	319	20	1,749
Manhattan	1,403,842	19,012	1,371,519	64,713	630	60	2,448
Pittsburgh	1,397,599	3,387	1,394,212	31,028	161	7	2,247
Providence	353,804	4,343	349,461	6,428	46	4	437
Mid-Atlantic Region <sup>1</sup>	11,404,772	79,115	11,314,957	291,029	1,558	109	17,894
Baltimore	2,365,818	231,829	2,134,089	58,611	339	29	3,317
Newark	3,704,525	583,244	3,081,597	75,044	10,172	660	23,819
Philadelphia	2,708,222	504,203	2,194,099	40,599	3,483	(25)	37,703
Pittsburgh	1,330,753	196,756	1,106,655	18,774	2,549	(166)	6,575
Richmond	1,920,528	172,365	1,716,339	22,025	2,523	—	6,171
Wilmington	445,119	254,512	173,363	18,113	223	280	2,127
Southeast Region	15,157,387	1,244,804	13,912,583	286,801	22	4	353
Albuquerque	1,127,230	186,982	940,248	19,124	2,062	285	5,151
Birmingham	1,266,381	87,719	1,150,979	13,388	1,537	—	1,537
Columbus	876,196	51,461	824,735	9,921	263	(561)	454
Fort Lauderdale	1,567,230	14,477	1,444,333	23,388	3,865	157	1,012
Greensboro	1,954,100	428,101	1,477,415	20,592	3,365	141	4,486
Jackson	589,578	38,991	541,199	8,363	380	—	628
Jacksonville	2,325,828	241,142	2,082,371	30,237	6,632	51	17,729
Little Rock	548,212	62,954	478,570	5,412	719	—	527
Nashville	1,588,103	241,219	1,314,043	21,586	3,408	490	7,447
New Orleans	1,478,648	277,567	1,178,448	19,469	2,072	293	48,533
Central Region	10,384,554	2,073,355	8,311,211	169,846	10,847	166	13,002
Cincinnati	1,787,095	340,367	1,427,487	19,420	3,708	266	10,847
Cleveland	1,172,298	121,427	1,021,211	12,081	2,675	353	4,453
Detroit	1,381,680	1,450,221	62,321	6,220	1,062	166	13,002
Indianapolis	1,714,459	172,911	1,521,090	16,427	1,474	11	5,207
Louisville	1,661,895	5,601	1,034,330	20,199	71	3	1,491
Nashville	1,588,103	241,219	1,314,043	21,586	3,408	490	7,447
New Orleans	1,478,648	277,567	1,178,448	19,469	2,072	293	48,533
Central Region	10,384,554	2,073,355	8,311,211	169,846	10,847	166	13,002
Cincinnati	1,787,095	340,367	1,427,487	19,420	3,708	266	10,847
Cleveland	1,172,298	121,427	1,021,211	12,081	2,675	353	4,453
Detroit	1,381,680	1,450,221	62,321	6,220	1,062	166	13,002
Indianapolis	1,714,459	172,911	1,521,090	16,427	1,474	11	5,207
Louisville	1,661,895	5,601	1,034,330	20,199	71	3	1,491
Nashville	1,588,103	241,219	1,314,043	21,586	3,408	490	7,447
New Orleans	1,478,648	277,567	1,178,448	19,469	2,072	293	48,533
Central Region	10,384,554	2,073,355	8,311,211	169,846	10,847	166	13,002
Cincinnati	1,787,095	340,367	1,427,487	19,420	3,708	266	10,847
Cleveland	1,172,298	121,427	1,021,211	12,081	2,675	353	4,453
Detroit	1,381,680	1,450,221	62,321	6,220	1,062	166	13,002
Indianapolis	1,714,459	172,911	1,521,090	16,427	1,474	11	5,207
Louisville	1,661,895	5,601	1,034,330	20,199	71	3	1,491
Nashville	1,588,103	241,219	1,314,043	21,586	3,408	490	7,447
New Orleans	1,478,648	277,567	1,178,448	19,469	2,072	293	48,533
Central Region	10,384,554	2,073,355	8,311,211	169,846	10,847	166	13,002
Cincinnati	1,787,095	340,367	1,427,487	19,420	3,708	266	10,847
Cleveland	1,172,298	121,427	1,021,211	12,081	2,675	353	4,453
Detroit	1,381,680	1,450,221	62,321	6,220	1,062	166	13,002
Indianapolis	1,714,459	172,911	1,521,090	16,427	1,474	11	5,207
Louisville	1,661,895	5,601	1,034,330	20,199	71	3	1,491
Nashville	1,588,103	241,219	1,314,043	21,586	3,408	490	7,447
New Orleans	1,478,648	277,567	1,178,448	19,469	2,072	293	48,533
Central Region	10,384,554	2,073,355	8,311,211	169,846	10,847	166	13,002
Cincinnati	1,787,095	340,367	1,427,487	19,420	3,708	266	10,847
Cleveland	1,172,298	121,427	1,021,211	12,081	2,675	353	4,453
Detroit	1,381,680	1,450,221	62,321	6,220	1,062	166	13,002
Indianapolis	1,714,459	172,911	1,521,090	16,427	1,474	11	5,207
Louisville	1,661,895	5,601	1,034,330	20,199	71	3	1,491
Nashville	1,588,103	241,219	1,314,043	21,586	3,408	490	7,447
New Orleans	1,478,648	277,567	1,178,448	19,469	2,072	293	48,533
Central Region	10,384,554	2,073,355	8,311,211	169,846	10,847	166	13,002
Cincinnati	1,787,095	340,367	1,427,487	19,420	3,708	266	10,847
Cleveland	1,172,298	121,427	1,021,211	12,081	2,675	353	4,453
Detroit	1,381,680	1,450,221	62,321	6,220	1,062	166	13,002
Indianapolis	1,714,459	172,911	1,521,090	16,427	1,474	11	5,207
Louisville	1,661,895	5,601	1,034,330	20,199	71	3	1,491
Nashville	1,588,103	241,219	1,314,043	21,586	3,408	490	7,447
New Orleans	1,478,648	277,567	1,178,448	19,469	2,072	293	48,533
Central Region	10,384,554	2,073,355	8,311,211	169,846	10,847	166	13,002
Cincinnati	1,787,095	340,367	1,427,487	19,420	3,708	266	10,847
Cleveland	1,172,298	121,427	1,021,211	12,081	2,675	353	4,453
Detroit	1,381,680	1,450,221	62,321	6,220	1,062	166	13,002
Indianapolis	1,714,459	172,911	1,521,090	16,427	1,474	11	5,207
Louisville	1,661,895	5,601	1,034,330	20,199	71	3	1,491
Nashville	1,588,103	241,219	1,314,043	21,586	3,408	490	7,447
New Orleans	1,478,648	277,567	1,178,448	19,469	2,072	293	48,533
Central Region	10,384,554	2,073,355	8,311,211	169,846	10,847	166	13,002
Cincinnati	1,787,095	340,367	1,427,487	19,420	3,708	266	10,847
Cleveland	1,172,298	121,427	1,021,211	12,081	2,675	353	4,453
Detroit	1,381,680	1,450,221	62,321	6,220	1,062	166	13,002
Indianapolis	1,714,459	172,911	1,521,090	16,427	1,474	11	5,207
Louisville	1,661,895	5,601	1,034,330	20,199	71	3	1,491
Nashville	1,588,103	241,219	1,314,043	21,586	3,408	490	7,447
New Orleans	1,478,648	277,567	1,178,448	19,469	2,072	293	48,533
Central Region	10,384,554	2,073,355	8,311,211	169,846	10,847	166	13,002
Cincinnati	1,787,095	340,367	1,427,487	19,420	3,708	266	10,847
Cleveland	1,172,298	121,427	1,021,211	12,081	2,675	353	4,453
Detroit	1,381,680	1,450,221	62,321	6,220	1,062	166	13,002
Indianapolis	1,714,459	172,911	1,521,090	16,427	1,474	11	5,207
Louisville	1,661,895	5,601	1,034,330	20,199	71	3	1,491
Nashville	1,588,103	241,219	1,314,043	21,586	3,408	490	7,447
New Orleans	1,478,648	277,567	1,178,448	19,469	2,072	293	48,533
Central Region	10,384,554	2,073,355	8,311,211	169,846	10,847	166	13,002
Cincinnati	1,787,095	340,367	1,427,487	19,420	3,708	266	10,847
Cleveland	1,172,298	121,427	1,021,211	12,081	2,675	353	4,453
Detroit	1,381,680	1,450,221	62,321	6,220	1,062	166	13,002
Indianapolis	1,714,459	172,911	1,521,090	16,427	1,474	11	5,207
Louisville	1,661,895	5,601	1,034,330	20,199	71	3	1,491
Nashville	1,588,103	241,219	1,314,043	21,586	3,408	490	7,447
New Orleans	1,478,648	277,567	1,178,448	19,469	2,072	293	48,533
Central Region	10,384,554	2,073,355	8,311,211	169,846	10,847	166	13,002
Cincinnati	1,787,095	340,367	1,427,487	19,420	3,708	266	10,847
Cleveland	1,172,298	121,427	1,021,211	12,081	2,675	353	4,453
Detroit	1,381,680	1,450,221	62,321	6,220	1,062	166	13,002
Indianapolis	1,714,459	172,911	1,521,090	16,427	1,474	11	5,207
Louisville	1,661,895	5,601	1,034,330	20,199	71	3	1,491
Nashville	1,588,103	241,219	1,314,043	21,586	3,408	490	7,447
New Orleans	1,478,648	277,567	1,178,448	19,469	2,072	293	48,533
Central Region	10,384,554	2,073,355	8,311,211	169,846	10,847	166	13,002
Cincinnati	1,787,095	340,367	1,427,487	19,420	3,708	266	10,847
Cleveland	1,172,298	121,427	1,021,211	12,081	2,675	353	4,453
Detroit	1,381,680	1,450,221	62,321	6,220	1,062	166	13,002
Indianapolis	1,714,459	172,911	1,521,090	16,427	1,474	11	5,207
Louisville	1,661,895	5,601	1,034,330	20,199	71	3	1,491
Nashville	1,588,103	241,219	1,314,043	21,586	3,408	490	7,447
New Orleans	1,478,648	277,567	1,178,448	19,469	2,072	293	48,533
Central Region	10,384,554	2,073,355	8,311,211	169,846	10,847	166	13,002
Cincinnati	1,787,095	340,367	1,427,487	19,420	3,708	266	10,847
Cleveland	1,172,298	121,427	1,021,211	12,081	2,675	353	4,453
Detroit	1,381,680	1,450,221	62,321	6,220	1,062	166	13,002
Indianapolis	1,714,459	172,911	1,521,090	16,427	1,474	11	5,207
Louisville	1,661,895	5,601	1,034,330	20,199	71	3	1,491
Nashville	1,588,103	241,219	1,314,043	21,586	3,408	490	7,447
New Orleans	1,478,648	277,567	1,178,448	19,469	2,072	293	48,533
Central Region	10,384,554	2,073,355	8,311,211	169,846			

Table 6.—Number of returns filed

Internal revenue regions and districts, states and other areas. (States represented by single districts indicated in parentheses; totals for other states shown at bottom of table.)	Total tax returns (1)	Individual income tax (2)	Estimated tax (3)	Fiduciary (4)	Partnership (5)	Corporation income tax (6)	Estate tax (7)	Gift tax (8)	Employment taxes (9)
<b>United States, total</b>	<b>193,153,622</b>	<b>103,460,460</b>	<b>38,803,801</b>	<b>2,335,580</b>	<b>1,838,673</b>	<b>3,873,236</b>	<b>60,755</b>	<b>104,627</b>	<b>28,232,524</b>
<b>North Atlantic Region</b>	<b>28,453,178</b>	<b>13,700,498</b>	<b>4,000,028</b>	<b>213,860</b>	<b>633,545</b>	<b>10,100</b>	<b>18,098</b>	<b>3,930,386</b>	<b>79,307</b>
Alabama	1,710,277	950,564	346,651	15,117	12,172	495	1,116	256,215	1,168
Augusta (Maine)	964,319	511,360	196,915	6,020	17,284	251	538	154,079	34
Boston (Massachusetts)	3,282,510	2,791,206	1,159,144	103,122	33,338	107,867	2,128	717,940	885
Brooklyn (New York)	5,247,818	2,941,536	1,134,280	2,451,573	253,674	1,701	2,451	763,274	1,167
Butte (Idaho)	3,262,540	1,906,065	678,027	40,787	24,109	51,809	970	434,722	34
Burlington (Vermont)	491,975	238,813	105,620	6,412	3,889	11,359	122	91,334	34,006
Hartford (Connecticut)	3,104,260	1,871,037	729,148	51,749	29,562	62,355	1,295	422,393	1,884
Manhattan (New York)	4,311,010	2,821,140	858,842	115,390	160,336	2,486	3,662	638,498	9,473
Pennsylvania (Pennsylvania)	957,276	503,076	186,776	10,006	6,791	17,831	284	247,082	21,083
Providence (Rhode Island)	825,210	444,054	161,453	12,314	2,058	3,710	384	122,393	1,845
<b>Mid-Atlantic Region</b>	<b>28,008,840</b>	<b>14,251,183</b>	<b>5,345,587</b>	<b>389,102</b>	<b>229,720</b>	<b>507,838</b>	<b>7,881</b>	<b>12,668</b>	<b>3,001,854</b>
Baltimore (Maryland & D.C.)	4,425,572	2,445,256	824,088	76,332	47,547	1,412	2,292	634,725	10,342
Newark (New Jersey)	7,105,344	3,794,836	1,482,002	64,123	67,017	188,165	2,293	1,000,814	6,089
Philadelphia (Pennsylvania)	6,070,915	3,307,993	1,372,779	121,874	76,759	1,728	2,815	782,878	13,477
Pittsburgh (Pennsylvania)	2,262,775	1,335,589	524,277	46,134	24,777	40,805	714	430,522	1,876
Richmond (Virginia)	1,446,332	875,223	327,261	49,194	37,624	81,727	1,313	671,908	10,328
Wilmington (Delaware)	543,902	291,136	105,189	11,445	4,265	14,601	221	81,206	1,599
<b>Southeast Region</b>	<b>34,548,072</b>	<b>17,718,423</b>	<b>6,718,909</b>	<b>261,401</b>	<b>204,042</b>	<b>10,181</b>	<b>20,011</b>	<b>5,338,877</b>	<b>70,950</b>
Atlanta (Georgia)	4,353,732	2,544,666	660,769	33,563	34,406	67,148	1,033	2,916	413,395
Birmingham (Alabama)	2,601,193	1,536,767	412,381	24,237	19,471	40,607	655	1,379	368,624
Columbia (South Carolina)	2,230,008	1,347,422	371,354	17,016	18,952	42,136	600	1,327	5,563
Fort Lauderdale (Florida)	5,129,448	2,266,955	1,011,147	54,301	32,678	133,319	1,834	4,613	14,789
Greensboro (North Carolina)	4,702,836	2,705,117	800,957	50,431	64,162	1,198	2,727	742,579	6,144
Jackson (Mississippi)	911,863	479,824	185,029	13,313	9,558	20,523	494	722	11,811
Jacksonville (Florida)	6,043,431	3,014,232	1,320,422	66,959	43,668	166,583	2,497	3,518	954,190
Little Rock (Arkansas)	1,809,795	881,656	295,149	13,268	13,854	29,637	351	825	257,212
Nashville (Tennessee)	1,985,535	1,085,852	524,853	29,436	43,376	85,361	1,414	517,311	4,273
New Orleans (Louisiana)	2,865,848	1,603,506	459,027	17,760	21,869	75,019	634	1,165	471,637
<b>Central Region</b>	<b>22,432,100</b>	<b>12,806,625</b>	<b>4,332,886</b>	<b>281,977</b>	<b>178,475</b>	<b>398,156</b>	<b>5,103</b>	<b>3,086,816</b>	<b>32,240</b>
Cincinnati (Ohio)	3,145,434	1,960,000	657,430	50,154	52,526	130	1,020	451,898	22,340
Cleveland (Ohio)	4,646,144	2,507,989	941,589	60,565	35,832	80,586	1,109	2,435	628,245
Detroit (Michigan)	6,721,037	3,880,204	1,237,607	70,533	57,075	129,281	1,361	2,181	925,331
Indianapolis (Indiana)	3,901,895	2,034,568	734,803	28,963	23,885	58,963	919	545,879	17,539
Louisville (Kentucky)	2,450,220	1,389,989	484,292	28,879	21,245	42,830	547	1,106	373,421
Partnersburg (West Virginia)	1,167,871	653,309	227,269	12,562	10,011	19,100	231	387	173,842
<b>Midwest Region</b>	<b>25,728,874</b>	<b>13,536,874</b>	<b>5,009,158</b>	<b>224,658</b>	<b>143,714</b>	<b>6,000</b>	<b>3,784,310</b>	<b>3,784,310</b>	<b>87,135</b>
Aberdeen (South Dakota)	570,755	284,936	128,224	7,929	5,025	9,069	131	467	97,820
Chicago (Illinois)	8,803,039	3,706,735	1,458,006	113,646	59,639	143,220	2,331	3,349	679,459
Des Moines (Iowa)	2,282,992	1,155,275	425,275	39,724	42,767	794	1,272	348,003	2,724
Fargo (North Dakota)	567,112	273,215	129,965	7,112	6,008	9,348	244	604	96,187
Helena (Montana)	692,623	352,029	159,497	8,598	8,863	15,134	227	722	129,932
Minneapolis (Minnesota)	3,758,220	2,033,767	784,329	69,456	56,497	944	3,362	560,169	9,637
Omaha (Nebraska)	1,324,642	668,452	289,540	17,773	13,655	27,863	433	1,035	214,813
St. Louis (Missouri)	3,965,512	2,123,262	896,543	52,836	39,698	73,891	1,136	1,890	585,334
St. Paul (Minnesota)	3,417,735	1,822,706	689,655	41,026	35,949	66,575	836	490,139	5,457
Springfield (Illinois)	2,322,157	1,236,521	570,863	30,830	15,838	29,130	974	1,139	323,224
<b>Southwest Region</b>	<b>24,577,335</b>	<b>13,115,811</b>	<b>4,307,021</b>	<b>289,718</b>	<b>172,818</b>	<b>3,713,811</b>	<b>7,742</b>	<b>14,243</b>	<b>3,753,811</b>
Albuquerque (New Mexico)	1,056,408	594,367	178,193	8,507	11,585	18,400	278	542	154,809
Austin (Texas)	3,783,655	2,123,896	586,094	38,299	45,508	64,465	1,247	2,754	578,738
Cheney (Wyoming)	384,547	195,625	74,932	3,892	5,645	9,251	132	360	70,596
Chicago (Illinois)	5,453,353	2,877,757	914,832	65,266	87,432	112,902	1,818	3,102	865,152
Denver (Colorado)	2,756,336	1,428,588	501,713	31,330	40,994	68,747	826	1,626	434,967
Houston (Texas)	3,988,999	2,024,275	447,741	35,881	40,591	72,736	832	1,490	444,359
Oklahoma City (Oklahoma)	2,379,259	1,243,590	448,318	26,652	27,876	53,136	638	1,400	363,556
Phoenix (Arizona)	2,663,568	1,391,573	570,191	29,590	30,442	58,817	849	1,306	365,177
San Luis Valley (New Mexico)	1,059,642	597,848	156,069	14,827	18,767	24,536	189	449	157,467
Wichita (Kansas)	2,041,847	1,029,022	458,838	26,382	37,691	73,731	733	1,306	320,787
<b>Western Region</b>	<b>31,948,250</b>	<b>16,822,950</b>	<b>6,882,705</b>	<b>309,818</b>	<b>392,824</b>	<b>578,228</b>	<b>11,874</b>	<b>13,441</b>	<b>4,574,215</b>
Anchorage (Alaska)	411,210	220,199	49,815	1,470	7,187	8,979	99	175	67,876
Boise (Idaho)	700,745	363,389	131,669	6,550	8,630	14,201	197	324	120,666
Honolulu (Hawaii)	889,779	484,804	194,230	9,210	8,317	21,144	275	839	129,918
Laguna Niguel (California)	4,432,618	2,434,973	874,626	46,526	72,726	113,460	2,103	1,897	845,266
Las Vegas (Nevada)	823,927	465,165	139,874	6,999	8,611	19,212	222	418	112,876
Los Angeles (California)	5,896,956	3,094,909	1,093,183	78,591	81,233	130,734	2,629	1,887	677,453
Portland (Oregon)	2,230,329	1,154,983	517,048	25,301	22,949	42,551	647	1,060	345,336
Sacramento (California)	3,828,278	1,891,119	624,807	27,911	41,225	52,021	1,261	347	537,503
San Francisco (California)	2,718,131	1,355,992	612,842	36,836	42,126	53,115	1,588	1,133	375,971
San Jose (California)	2,426,208	1,224,270	581,962	35,530	36,002	52,148	1,508	1,755	606,778
Seattle (Washington)	3,768,089	1,942,192	801,348	35,614	48,820	67,647	935	1,709	556,782
International*	1,118,514	628,432	228,777	961	1,357	17,891	494	198	200,879
Puerto Rico	346,537	184,024	62,970	219	150	837	19	19	180,449
Other	771,957	434,408	162,907	642	1,167	17,154	475	179	20,220
<b>Totals for states not shown above</b>	<b>290,805</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

Column Contents: (1) Includes Forms 1040, 1040A, 1040 EZ, 1040NR, 1040SS-PR and 1040C.

(2) Shows the number of 1040ES documents filed. Commissioner's Annual Reports prior to 1981 showed the number of files.

(3) Form 1041.

(4) Includes Forms 1120, 1120A, 1120L, 1120M, 1120S, 1120POL, 1120F and 1120H.

(5) Includes Forms 706 and 706A.

(6) Form 709.

(7) Includes Forms 940, 940PR, 941, 941PR & SS, 941E, 942, 942PR, 943, 943PR & SS, CT-1, and 1042.

(8) Includes Forms 940, 940PR, 941, 941PR & SS, 941E, 942, 942PR, 943, 943PR & SS, CT-1, and 1042.

(9) Includes Forms 940, 940PR, 941, 941PR & SS, 941E, 942, 942PR, 943, 943PR & SS, CT-1, and 1042.

(10) Includes Forms 990, 990PF, 990T, 990C, 5227 and 4720.

(11) Includes Forms 5500, 5500C, 5500D, 5500E and 5500R.

(12) Includes Forms 5000-24(AT&F) and 11.

(13) Includes Forms 720, 730, 2250 and 11C.

(14) Includes Forms 1040C, 1120X, 2888, 4568, 7004, 7005 and 1041A.

(15) Includes Forms 941M, 941 NM, CT-2, 990BL, 1042, 1120 DISC, 1120 IC DISC, 1120 FSC and 8404.

\*The office of the Assistant Commissioner (International) was formed during FY 1987. Data previously reported under Mid-Atlantic Region as "Foreign Operations" are now shown separately under "International".

\*Reflects returns filed with the Bureau of Alcohol, Tobacco and Firearms(AT&F). Beginning July 1, 1987, AT&F assumed responsibility for the filing of all alcohol and tobacco tax returns and collections. These data are being included in IRS statistics for fiscal 1987 to provide comparable data for a full year. The data are not available by state or district.

Table 6.—Continued

Internal revenue regions and districts, states and other areas. (States represented by single districts indicated in parentheses; totals for other states indicated in parentheses; totals for other states shown at bottom of table.)	Exempt organizations (10)	Employee plans (11)	ATF returns (12)	Excise taxes (13)	Supplemental documents (14)	Non-master file returns (15)
United States, total	522,751	2,113,779	492,480	1,010,592	10,300,529	8,315
North-Atlantic Region	79,307	374,307	24,082	89,427	1,437,228	1,168
Alabama	(See (d) below)	4,893	15,379	2,719	8,208	34
Augusta	(Maine)	3,165	6,360	885	8,504	11
Boston	(Massachusetts)	17,196	64,574	4,167	16,001	261,957
Brooklyn	(See (d) below)	17,120	80,980	3,445	15,291	294,107
Butte	(Idaho)	8,681	34,006	5,214	15,694	138,686
Burlington	(Vermont)	1,888	3,945	834	3,165	28,225
Hartford	(Connecticut)	9,473	41,136	2,475	10,226	173,606
Manhattan	(New Hampshire)	21,083	110,835	2,703	7,046	318,319
Portsmouth	(New Hampshire)	2,715	8,320	610	5,841	55,824
Providence	(Rhode Island)	1,845	6,360	885	8,504	36,442
Mid-Atlantic Region	3,001,854	1,134,879	24,080	104,972	1,180,452	677
Baltimore	(Maryland & D.C.)	22,972	66,567	3,319	13,050	213,050
Newark	(New Jersey)	13,347	59,581	2,222	22,922	388,972
Philadelphia	(See (f) below)	18,876	72,350	5,142	210,110	87
Pittsburgh	(See (f) below)	10,328	39,764	3,436	20,466	101,818
Richmond	(See (f) below)	11,872	45,835	2,259	15,739	222,367
Wilmington	(Delaware)	1,959	5,832	734	2,939	24,137
Southeast Region	14,510	283,777	27,785	185,287	1,763,718	314
Atlanta	(Georgia)	8,437	35,369	2,329	13,940	46
Birmingham	(Alabama)	6,069	15,587	1,644	18,426	109,977
Columbia	(South Carolina)	5,683	14,780	1,723	11,430	91,824
Fort Lauderdale	(See (d) below)	6,144	31,317	1,186	10,121	312,418
Greensboro	(North Carolina)	11,111	31,150	3,848	24,388	206,958
Jackson	(Mississippi)	3,708	8,574	1,807	15,108	89,948
Jacksonville	(See (d) below)	12,818	41,402	19,326	361,589	3
Little Rock	(Arkansas)	4,279	9,367	1,249	16,766	86,142
Nashville	(Tennessee)	8,183	22,063	1,908	20,617	143,635
New Orleans	(See (d) below)	6,128	21,402	1,335	19,347	16
Central Region	167,910	192,586	20,805	125,383	918,255	372
Cincinnati	(See (e) below)	11,225	31,231	3,035	13,587	144,015
Cleveland	(See (e) below)	14,782	47,732	3,203	18,958	192
Detroit	(Michigan)	17,539	64,439	5,695	33,154	295,717
Indianapolis	(Indiana)	14,734	28,635	3,325	26,339	142,628
Louisville	(Kentucky)	5,846	14,080	1,680	18,979	56,611
Panthersburg	(West Virginia)	3,784	8,835	1,287	9,469	29,346
Midwest Region	287,185	383,708	38,118	185,768	1,047,596	374
Abolition	(See (e) below)	2,377	5,702	754	7,554	21,218
Chicago	(See (c) below)	18,483	82,468	6,242	20,826	310,396
Des Moines	(Iowa)	9,296	32,428	1,809	22,777	127,277
Fargo	(North Dakota)	2,859	9,657	809	8,243	21,884
Helena	(Montana)	2,730	5,479	1,672	9,061	48,424
Minneapolis	(Minnesota)	12,913	42,913	2,584	27,367	137,367
Omaha	(Nebraska)	4,848	14,241	1,485	21,599	48,504
St. Louis	(Missouri)	13,848	29,436	5,975	25,441	155,810
St. Paul	(See (e) below)	31,141	44,367	3,741	39,541	168,261
Springfield	(See (c) below)	7,861	22,255	2,550	15,450	65,467
Southeast Region	68,236	224,405	27,875	149,341	1,742,244	345
Albuquerque	(See (f) below)	3,022	7,293	759	7,659	3
Austin	(See (g) below)	21,887	1,644	2,037	27,586	99
Cheyenne	(Wyoming)	1,510	3,286	4,926	23,544	6
Delta	(See (f) below)	14,700	48,970	4,681	37,142	419,756
Denver	(Colorado)	8,315	31,564	3,007	10,860	190,649
Houston	(See (g) below)	6,076	33,681	4,172	14,109	272,906
Oklahoma City	(Oklahoma)	7,042	19,747	1,912	19,847	159,847
Phoenix	(Arizona)	5,577	24,123	1,915	8,659	168,520
San Antonio	(Texas)	2,664	10,471	476	7,031	66,890
Wichita	(See (f) below)	77,663	22,641	2,965	16,561	87,787
Western Region	76,861	654,007	47,905	188,908	2,072,892	350
Anchorage	(See (f) below)	1,332	2,907	2,907	45,167	10
Boise	(Idaho)	1,963	5,200	878	9,104	34,783
Honolulu	(Hawaii)	2,192	13,234	979	9,017	61,722
Las Vegas	(See (f) below)	12,335	94,474	19,338	404,163	6
Las Vegas	(Nevada)	1,559	1,299	1,137	7,007	53,537
Los Angeles	(See (a) below)	14,282	111,212	4,657	14,700	391,799
Portland	(See (f) below)	6,190	21,311	3,111	18,254	143,658
Sacramento	(See (a) below)	9,433	53,036	12,134	20,698	249,573
San Francisco	(See (a) below)	8,222	49,548	8,243	6,344	187,719
San Jose	(See (a) below)	10,124	113,214	8,043	21,288	255,811
Seattle	(Washington)	10,771	36,126	4,872	36,589	233,280
International		770	2,119	182	1,818	100,444
Puerto Rico		149	1,015	154	3,570	8,715
Other		621	1,104	18	1,445	126,874
Other			290,805			
Totals for states not shown above						
(a) California	54,396	374,442	36,321	82,377	1,493,065	202
(b) Alaska	18,962	95,682	6,787	34,978	676,005	10
(c) Rhode	26,354	104,724	6,782	37,279	375,853	143
(d) New York	42,986	241,218	14,981	61,604	1,038,183	111
(e) Ohio	26,007	76,604	7,908	37,561	324,953	217
(f) Pennsylvania	27,204	113,514	8,722	36,589	171,616	62
(g) Texas	20,377	103,660	14,487	72,964	965,648	224

Table 7.—Returns filed, examination coverage and results (1987)

	Returns filed		Returns examined			Percent coverage
	CT 1988	Revenue agents	Tax auditor	Service centers	Total	
Individuals, total	101,750,800	317,525	610,439	181,251	1,109,215	1.09
1040A, TPI <sup>1</sup> under \$10,000	19,904,900	11,008	45,180	49,736	105,924	0.53
Non 1040A, TPI under \$10,000	9,904,000	8,711	24,685	8,632	42,028	0.42
TPI \$10,000 under \$25,000, simple	21,285,600	25,068	86,585	24,181	135,834	0.54
TPI \$10,000 under \$25,000, complex	9,897,800	29,373	79,919	25,367	128,659	1.30
TPI \$25,000 under \$50,000	24,568,300	75,890	235,240	35,755	346,885	1.40
TPI \$50,000 and over	10,029,100	95,403	95,653	33,379	224,435	2.24
Schedule C-TGR <sup>2</sup> under \$25,000	1,903,000	11,378	14,484	942	26,804	1.41
Schedule C-TGR \$25,000 under \$100,000	2,125,000	22,383	19,334	2,049	42,746	2.01
Schedule C-TGR \$100,000 and over	1,198,000	32,437	11,150	2,635	46,222	3.86
Schedule F-TGR under \$25,000	240,000	754	1,304	124	2,182	0.91
Schedule F-TGR \$25,000 under \$100,000	436,500	1,935	2,249	731	4,915	1.13
Schedule F-TGR \$100,000 and over	236,600	3,205	1,656	720	5,581	2.34
Fiduciary	2,278,200	5,066			5,066	0.22
Partnerships	1,713,600	19,769			19,769	1.15
Corporations, total	2,827,590	44,697			44,697	1.58
Assets not reported	211,000	1,916			1,916	0.91
Under \$50,000 <sup>3</sup>	860,800	4,249			4,249	0.49
\$50,000 under \$100,000	408,300	3,513			3,513	0.86
\$100,000 under \$250,000	559,700	4,815			4,815	0.86
\$250,000 under \$500,000	295,800	2,762			2,762	0.93
\$500,000 under \$1 mil	200,500	2,777			2,777	1.39
\$1 mil under \$5 mil	196,100	6,596			6,596	3.33
\$5 mil under \$10 mil	29,900	2,623			2,623	9.08
\$10 mil under \$50 mil	31,700	5,971			5,971	18.84
\$50 mil under \$100 mil	6,500	2,785			2,785	42.85
\$100 mil under \$250 mil	4,600	2,910			2,910	63.26
\$250 mil and over	4,600	3,445			3,445	74.89
Form 1120F	19,000	335			335	1.76
Small business corporations	812,000	9,072			9,072	1.12
Form 1120 DISC	8,073	1,352			1,352	16.75
Estate, total	87,800	15,117			15,117	22.38
Gross estate under \$1 mil	51,700	8,751			8,751	16.93
Gross estate \$1 mil under \$5 mil	14,600	5,549			5,549	38.01
Gross estate \$5 mil and over	1,300	817			817	62.85
Gift	101,200	1,669			1,669	1.65
Income, estate and gift, total	109,557,073	414,267	610,439	181,251	1,205,957	1.10
Excise	1,035,500	38,966			38,966	3.76
Employment	27,812,200	43,219	1,098		46,317	0.17
Windfall profit	10,200	1,555		2,816	4,371	42.44
Miscellaneous		11			11	
Service center corrections				503,309	503,309	

Note: Totals may not add due to rounding.  
<sup>1</sup> Total positive income.  
<sup>2</sup> Total gross receipts.  
<sup>3</sup> Balance sheet assets.

Table 7.—Continued

Revenue agents	Recommended additional tax and penalties (million)			Average tax and penalty per return			No-change Percent <sup>4</sup>		
	Tax auditors	Service centers	Total	Revenue agents	Tax auditors	Service centers	Revenue agent	Tax auditor	
3,885	1,286	740	5,911	12,235	2,107	4,084	12	14	Individuals, total
119	60	174	354	10,843	1,335	3,501	11	12	1040A, TPI under \$10,000
46	25	8	82	5,567	1,033	892	16	21	Non 1040A, TPI under \$10,000
59	80	16	155	2,368	919	662	16	14	TPI \$10,000 under \$25,000, simple
89	75	16	161	2,362	1,015	849	15	13	TPI \$10,000 under \$25,000, complex
236	301	49	586	3,107	1,280	1,490	14	13	TPI \$25,000 under \$50,000
1,302	556	402	2,660	20,254	5,817	12,000	10	18	TPI \$50,000 and over
66	25	1	93	5,824	1,746	1,529	13	13	Schedule C-TGR under \$25,000
163	82	19	243	7,277	3,380	9,147	9	11	Schedule C-TGR \$25,000 under \$100,000
954	89	42	1,085	29,399	8,015	15,835	12	16	Schedule C-TGR \$100,000 and over
3	1	0	5	4,463	789	1,195	24	26	Schedule F-TGR under \$25,000
9	3	0	12	4,436	1,158	569	19	19	Schedule F-TGR \$25,000 under \$100,000
226	8	13	247	70,391	4,766	18,236	14	20	Schedule F-TGR \$100,000 and over
78			78	15,425			13		Fiduciary
							18		Partnerships
10,576			10,576	236,613			14		Corporations, total
208			208	108,439			13		Assets not reported
31			31	7,219			21		Under \$50,000
40			40	11,428			20		\$50,000 under \$100,000
73			73	15,067			21		\$100,000 under \$250,000
48			48	17,339			20		\$250,000 under \$500,000
64			64	23,136			18		\$500,000 under \$1 mil
264			264	40,092			14		\$1 mil under \$5 mil
168			168	63,913			12		\$5 mil under \$10 mil
477			477	79,907			9		\$10 mil under \$50 mil
315			315	113,069			7		\$50 mil under \$100 mil
570			570	195,731			5		\$100 mil under \$250 mil
8,172			8,172	2,372,096			4		\$250 mil and over
147			147	438,982			43		Form 1120F
6			6	657			35		Small business corporations
							29		Form 1120 DISC
963			963	63,697			8		Estate, total
159			159	18,121			9		Gross estate under \$1 mil
278			278	50,172			8		Gross estate \$1 mil under \$5 mil
526			526	643,718			7		Gross estate \$5 mil and over
227			227	135,913			14		Gift
15,735	1,286	740	17,761	37,982	2,107		13	14	Income, estate and gift, total
159			159	4,074			10		Excise
350	1		350	7,730	528		20	3	Employment
1,880		6	1,096	701,123		2,156	20	3	Windfall Profit
				18,383			0		Miscellaneous
			477			947			Service center corrections

<sup>4</sup>Service center no-change rate by class is not available. Service center examinations resulted in 14 percent no-change.

Table 7A.—Information returns and other correction programs (1987)

	Service center contacts	Additional tax and penalties recommended (million)
Underreporter program	2,242,000	\$ 1,201 <sup>1</sup>
Other correction programs	463,000	22

<sup>1</sup>\$51 million dollars of this total are included on table 7 in service center correction results.

Table 8.—Returns filed, examination coverage and results (1986)

	Returns filed CY 1985	Returns examined				Percent coverage
		Revenue agents	Tax auditors	Service centers <sup>1</sup>	Total	
Individuals, total	99,529,000	298,968	732,456	79,542	1,110,966	1.12
1040A, TPI <sup>2</sup> under \$10,000	20,353,200	9,278	47,807	3,097	60,182	0.30
Non 1040A, TPI under \$10,000	9,905,400	6,311	26,465	4,310	37,086	0.37
TPI \$10,000 under \$25,000, simple	29,903,400	12,295	85,317	3,933	101,545	0.49
TPI \$10,000 under \$25,000, complex	10,089,700	22,358	91,817	13,526	127,601	1.26
TPI \$25,000 under \$50,000	23,810,500	58,725	308,077	27,282	394,084	1.66
TPI \$50,000 and over	8,507,100	117,388	112,826	21,875	252,089	2.96
Schedule C-TGR <sup>3</sup> under \$25,000	1,868,300	9,021	15,255	772	25,048	1.34
Schedule C-TGR \$25,000 under \$100,000	2,023,600	20,895	23,063	1,949	45,907	2.27
Schedule C-TGR \$100,000 and over	1,117,000	36,415	14,768	1,749	52,932	4.74
Schedule F-TGR under \$25,000	261,500	657	1,667	150	2,474	0.95
Schedule F-TGR \$25,000 under \$100,000	453,500	1,727	3,116	318	5,159	1.14
Schedule F-TGR \$100,000 and over	235,800	3,896	2,478	503	6,877	2.92
Fiduciary	2,125,000	7,478			7,478	0.35
Partnerships	1,727,500	17,216			17,216	1.00
Corporations, total	2,847,400	59,688			59,688	2.25
Assets not reported	188,400	2,407			2,407	1.28*
Under \$50,000 <sup>4</sup>	828,500	5,988			5,988	0.72*
\$50,000 under \$100,000	380,100	5,481			5,481	1.44*
\$100,000 under \$250,000	512,500	7,252			7,252	1.42*
\$250,000 under \$500,000	278,800	4,054			4,054	1.45*
\$500,000 under \$1 mil	189,600	3,868			3,868	2.04*
\$1 mil under \$5 mil	183,500	9,349			9,349	5.09*
\$5 mil under \$10 mil	26,200	3,639			3,639	13.89*
\$10 mil under \$50 mil	26,600	7,400			7,400	25.67*
\$50 mil under \$100 mil	6,700	3,186			3,186	47.55
\$100 mil under \$250 mil	4,600	3,272			3,272	71.13
\$250 mil and over	4,400	3,434			3,434	78.05
Form 1120F	15,500	358			358	2.31
Small business corporations	736,900	7,831			7,831	1.08
Form 1120 DISC	13,300	1,379			1,379	10.37
Estate, total	80,700	16,784			16,784	20.80
Gross estate under \$1 mil	68,500	10,896			10,896	15.91
Gross estate \$1 mil under \$5 mil	11,300	5,200			5,200	46.02
Gross estate \$5 mil and over	900	688			688	76.44
Gift	97,700	1,860			1,860	1.90
Income, estate and gift, total	106,957,500	411,302	732,456	79,542	1,223,300	1.14
Excise	1,149,994	48,589			48,589	4.05
Employment	27,409,300	35,327	1,104		36,431	0.13
Windfall profit	18,500	2,432		3,628	6,060	57.68
Miscellaneous		45			45	
Service center corrections				564,036	564,036	

Note: Totals may not add due to rounding.

<sup>1</sup>Total positive income.<sup>2</sup>Total gross receipts.<sup>3</sup>Balance sheet assets.<sup>4</sup>Service center examinations were adjusted to include 19,992 returns with tax shelter issues which were shown as service center correction in the 1986 annual report.<sup>5</sup>Coverage percentage has been changed to reflect the most current information available due to the reallocation of Form 1120A return filings.

Table 8.—Continued

Recommended additional tax and penalties (million)					Average tax and penalty per return		No-change Percent <sup>1</sup>	
Revenue agents	Tax auditors	Service centers	Total	Revenue agents	Tax auditors	Service centers	Revenue agent	Tax auditor
4,291	1,425	223	5,948	14,051	1,945	2,800	9	14
							Individuals, total	
129	57	5	191	13,933	1,195	18,448	9	11
35	26	6	67	5,523	999	1,425	14	16
							Non 1040A, TPI under \$10,000	
44	78	3	125	3,611	516	720	10	12
90	78	8	176	4,032	853	556	11	12
273	338	35	645	4,643	1,097	1,276	9	14
							TPI \$10,000 under \$25,000, simple	
2,385	650	148	3,183	20,316	5,760	6,767	8	18
							TPI \$10,000 under \$25,000, complex	
45	22	1	68	4,946	1,460	1,223	11	14
181	59	5	245	8,683	2,569	2,569	8	14
900	104	12	1,016	24,708	7,043	6,759	10	17
							Schedule C-TGR under \$25,000	
4	1	0	5	6,158	613	465	11	25
11	3	0	14	6,226	1,017	445	11	22
104	8	0	112	25,719	3,180	968	12	23
							Schedule F-TGR under \$25,000	
113			113	15,116			16	
							Schedule F-TGR \$25,000 under \$100,000	
							Schedule F-TGR \$100,000 and over	
							Fiduciary	
							Partnerships	
							Corporations, total	
10,857			10,857	181,801			16	
							Assets not reported	
160			160	66,518			15	
							Under \$50,000	
45			45	7,455			24	
							\$50,000 under \$100,000	
55			55	9,973			25	
							\$100,000 under \$250,000	
293			293	40,383			23	
							\$250,000 under \$500,000	
51			0	12,515			20	
							\$500,000 under \$1 mil	
47			47	12,249			18	
							\$1 mil under \$5 mil	
337			337	36,037			15	
							\$5 mil under \$10 mil	
153			153	41,968			12	
							\$10 mil under \$50 mil	
475			475	64,183			10	
							\$50 mil under \$100 mil	
472			472	148,071			7	
							\$100 mil under \$250 mil	
908			908	277,386			5	
							\$250 mil and over	
7,754			7,754	2,257,935			2	
							Form 1120F	
109			109	305,051			35	
							Small business corporations	
140			140	17,634			54	
							Form 1120 DISC	
							Estate, total	
701			701	41,738			9	
							Gross estate under \$1 mil	
211			211	19,336			10	
							Gross estate \$1 mil under \$5 mil	
282			282	54,229			9	
							Gross estate \$5 mil and over	
206			206	299,978			10	
							Gift	
202			202	108,621			13	
							Income, estate and gift, total	
16,214	1,425	223	17,861	39,420	1,945	2,800	11	14
							Excise	
150			150	3,210			11	
							Employment	
309	1		311	8,759	888		10	13
							Windfall Profit	
977		9	985	401,566		2,406	25	
							Miscellaneous	
1			1	18,162			13	
							Service center corrections	
							1,187	

<sup>1</sup>Service center no-change rate by class is not available. Service center examinations resulted in 17 percent no-change.

Table 8A.—Information returns and other correction programs (1986)

	Service center contacts	Additional tax and penalties recommended (million)
Underreporter program	3,164,000	\$ 1,801*
Other correction programs	not available	not available

\*344 million dollars of this total are included on table 8 in service center correction results.

Table 9.—Additional tax and penalties recommended after examination by class of tax and by internal revenue regions, districts and other areas (in thousands of dollars)

	Total	Individual	Fiduciary	Corporate	Subchapter S corporation	Estate	Gift	Excise	Employment	Exempt organizations	Windfall profit	Miscellaneous
Total	19,567,444	5,941,020	78,141	10,598,222	5,960	969,337	225,890	158,755	355,670	129,740	1,096,306	202
North Atlantic	3,057,302	1,021,850	8,547	1,745,215	139	143,492	27,845	16,537	51,723	51,723	187	—
Mid-Atlantic	1,704,857	534,470	2,670	934,996	238	72,837	3,581	24,042	124,090	335	6,818	—
South Atlantic	2,458,108	695,940	1,844	1,496,948	355	151,267	42,902	22,520	12,771	66,311	3,970	—
Central	1,706,567	373,702	10,519	985,253	327	87,357	6,971	3,592	190,420	3,592	—	—
Midwest	2,654,278	145,277	18,596	2,052,297	120	88,214	16,465	16,744	20,197	3,810	1,259	—
Southwest	1,618,176	22,579	1,336,697	122,899	21,513	353,619	122,899	25,436	75,846	3,201	648,392	148
Western	3,357,299	1,212,110	12,385	1,925,100	2,209	64,424	7,076	17,600	43,315	10,758	45,259	54
Assistant Commissioner (International)	60,176	29,539	—	19,316	—	5,717	51	—	5,553	—	—	—
North Atlantic Region:												
Albany	87,528	24,480	158	58,946	—	3,741	14	344	245	—	—	—
Augusta	59,810	8,255	6	48,619	—	135	—	601	2,196	—	—	—
Boston	336,047	88,375	3,000	206,327	45	23,811	2,248	7,659	4,542	—	30	—
Brooklyn	339,815	151,774	259	132,349	7	1,028	—	2,043	51,730	14	—	—
Buffalo	420,560	47,241	702	154,703	—	11,568	—	4,335	174	—	15	—
Hartford	5,292	3,704	3	1,234	—	131	8	22	190	—	—	—
Marshall	353,603	42,436	3,386	243,195	—	12,830	302	892	—	—	—	—
Mannington	1,192,522	1,023	1,023	686,883	86	92,580	24,972	10,677	14,618	—	7	—
Pittsburgh	25,457	11,127	6	14,155	—	111	—	129	5,126	—	—	—
Providence	58,442	7,259	4	26,805	—	—	—	—	—	—	—	—
Rochester Service Center	65,819	58,619	—	—	—	—	—	—	—	—	—	—
Brooklyn Service Center	380,807	380,686	—	—	—	—	—	—	—	—	—	—
Mid-Atlantic Region:												
Baltimore	337,294	147,282	819	149,355	54	28,894	1,387	1,721	4,120	96	3,775	—
Newark	628,226	148,271	716	352,125	21	12,349	158	6,700	107,646	239	—	—
Philadelphia	422,784	119,299	324	293,161	39	21,973	891	11,900	5,278	—	301	—
Pittsburgh	129,082	42,103	127	77,874	4	1,053	—	3,073	2,310	—	—	—
Richmond	86,524	58,525	260	15,443	120	7,899	1,124	480	4,683	—	—	—
Wilmington	108,465	9,286	14	98,207	—	672	—	169	54	—	—	—
Philadelphia Service Center	9,722	9,722	—	—	—	—	—	—	—	—	—	—
Southwest Region:												
Atlanta	429,429	85,782	146	222,344	49	44,124	5,960	1,931	2,783	66,311	—	—
Birmingham	83,043	30,231	149	49,424	—	541	—	2,484	150	—	54	—
Columbia	55,181	26,795	0	24,273	—	—	—	3,063	1,043	—	6	—
Ft. Lauderdale	264,554	141,057	534	115,215	26	42,536	1,128	2,984	896	—	—	—
Greensboro	146,324	51,897	45	66,032	48	20,722	1,377	4,913	2,389	—	—	—
Jackson	29,343	17,898	0	10,568	112	—	—	503	186	—	75	—
Jacksonville	128,897	83,656	893	44,348	—	11,067	29	5,622	1,570	—	—	—
Little Rock	96,014	39,019	32	27,979	—	28,079	—	349	—	—	—	—
Nashville	335,008	61,307	78	242,885	52	15,572	628	3,466	1,222	—	3,851	—
New Orleans	61,448	38,824	—	54,153	39	16,518	649	1,006	1,474	—	—	—
Atlanta Service Center	27,252	27,252	—	—	—	—	—	—	—	—	—	—
Memphis Service Center	22,712	22,712	—	—	—	—	—	—	—	—	—	—
Central Region:												
Cincinnati	283,401	40,893	3,972	209,352	—	14,540	786	8,177	2,287	3,592	1	—
Cleveland	547,931	103,261	3,813	238,095	327	17,838	2,079	4,468	8,540	—	189,289	—
Detroit	423,483	110,824	1,023	284,345	—	13,937	494	5,913	25,317	—	1,040	—
Indianapolis	202,051	57,229	406	118,861	—	16,330	1,828	2,333	4,862	—	78	—
Louisville	186,986	31,432	84	148,112	—	1,966	1,630	2,476	1,215	—	11	—
Pittsburgh	22,691	10,978	497	6,488	—	2,754	164	2,450	351	—	—	—
Cincinnati Service Center	19,124	19,124	—	—	—	—	—	—	—	—	—	—
Midwest Region:												
Chicago	10,413	5,736	2	1,201	—	1,475	814	1,571	344	—	—	—
Chicago	1,091,476	205,814	13,033	782,622	112	31,262	4,818	1,921	5,435	3,810	549	—
Des Moines	71,891	20,779	411	43,391	—	3,697	14	2,481	953	—	146	—
Fargo	11,771	7,109	9	1,094	—	2,079	200	228	420	—	24	—
Heena	14,500	8,796	—	1,354	2	2,148	115	1,262	201	—	523	—
Milwaukee	194,785	109,662	564	131,888	—	4,841	2,667	1,701	4,083	—	—	—
Omaha	80,382	15,683	144	56,660	—	3,664	82	1,117	1,061	—	—	—
Springfield	222,320	29,798	673	171,151	—	16,014	236	2,475	1,969	—	—	—
St. Louis	582,160	46,267	4,720	508,540	6	8,068	405	1,959	4,210	—	5	—
St. Paul	409,455	47,400	41	—	—	12,966	2,763	1,869	1,500	—	9	—
Kansas City Service Center	15,824	15,824	—	—	—	—	—	—	—	—	—	—
Southwest Region:												
Albuquerque	33,093	19,993	—	7,266	5	4,281	159	571	796	—	23	—
Austin	213,323	105,580	165	75,787	15	20,518	617	5,441	4,381	—	1,019	—
Cheyenne	11,586	14,407	1,748	4,120	60	894	—	210	—	—	—	—
Dallas	1,084,939	584,969	1,262	252,258	917	33,123	115,302	4,336	2,559	3,201	86,592	—
Denver	409,641	280,605	193	62,419	73	56,385	1,903	4,378	—	—	3,448	—
Houston	1,610,513	203,527	16,012	713,559	341	10,148	1,477	4,321	9,574	649,478	10,758	—
Oklahoma City	502,122	136,760	272	234,564	1,135	15,094	1,134	10,987	527	—	101,648	—
Phoenix	141,324	61,460	2,364	67,209	2	13,033	460	488	16,159	—	148	—
Salt Lake City	115,090	41,821	33	70,974	1	—	—	1,418	843	—	—	—
Wichita	351,962	49,281	523	62,541	23	200,266	2,832	5,690	35,916	—	251	—
Austin Service Center	27,853	21,935	—	—	—	—	—	—	—	—	5,918	—
Ogden Service Center	85,630	85,613	—	—	—	—	—	—	—	—	17	—
Western Region:												
Anchorage	65,892	52,563	647	10,682	—	1,505	—	442	643	—	0	—
Honolulu	47,236	21,864	164	9,420	—	2,341	—	537	12,804	—	0	—
Honolulu	37,496	16,953	17	19,926	—	121	—	80	398	—	0	—
Laguna Niguel	779,950	230,147	1,138	512,226	1,847	11,059	507	4,845	16,138	—	2,189	—
Los Angeles	1,374,415	389,606	1,326	592,462	254	17,080	3,703	4,469	7,794	—	42,953	—
Portland	115,348	47,919	235	60,372	160	5,000	399	565	697	—	—	—
Las Vegas	107,256	56,072	—	40,406	—	11,429	—	50	292	—	—	—
Sacramento	128,138	77,775	—	51,915	15	14,337	414	698	1,337	—	—	—
San Jose	103,373	103,373	3,566	18,199	43	8,156	1,813	1,185	656	—	75	46
San Francisco	109,546	3,380	—	12,720	19	7,720	19	1,006	1,365	—	37	8
Seattle	200,980	75,769	147	112,495	96	5,675	71	3,794	2,991	—	—	—
Fresno Service Center	81,417	81,417	—	—	—	—	—	—	—	—	—	—

\*Less than \$500

Table 10.—Number of returns examined by class of tax and by internal revenue regions, districts and other areas

	Total	Individual	Partnership	Fiduciary	Corporate	Subchapter S corporation	Domestic international sales corporation	Estate	Gift	Excise	Employment	Exempt organizations	Employee plans	Windfall profit	Miscellaneous
Total	1,293,235	1,114,694	19,778	5,069	44,822	8,089	1,293	15,284	1,673	30,966	47,532	18,094	8,683	4,381	11
North Atlantic	181,853	135,655	1,921	1,248	7,271	1,241	242	2,527	228	4,024	2,441	829	112	—	—
Mid-Atlantic	177,620	106,617	1,868	433	5,229	866	131	2,052	128	3,319	1,458	1,607	820	142	—
Southwest	185,098	158,138	1,889	223	6,179	1,534	121	1,945	250	5,056	8,639	1,714	—	—	—
Midwest	184,159	106,149	1,603	607	5,175	1,363	168	1,775	138	3,871	5,442	3,303	1,433	113	1
Southwest	244,634	205,266	4,432	444	8,660	1,384	90	1,830	270	7,825	8,460	2,599	822	3,639	4
Assistant Commissioner (International)	31,672	27,907	6,123	680	5,781	1,254	257	2,736	173	7,862	8,848	2,668	1,870	227	4
North Atlantic Region:	7,030	5,479	7	3	125	17	3	187	4	0	1,215	0	0	0	0
Albany	7,455	6,365	22	61	304	52	10	180	11	247	203	—	—	—	—
Augusta	3,993	2,690	17	3	345	41	2	3	—	421	470	—	—	—	—
Boston	20,966	15,593	222	40	1,495	144	5	60	88	1,348	1,408	—	—	—	—
Brooklyn	30,343	24,417	221	23	1,042	233	20	3	—	754	347	2,441	829	13	8
Burlington	16,100	13,578	192	150	635	126	21	243	42	742	318	—	—	53	—
Hartford	2,188	1,768	17	116	15	5	0	1	38	218	—	—	—	—	—
Hartford	13,412	10,911	196	251	834	245	37	429	30	247	295	—	—	—	—
Manassas	30,083	23,675	969	271	2,146	345	95	1,090	83	579	531	—	—	29	—
Portsmouth	3,089	2,812	18	1	101	6	1	5	102	—	—	—	—	—	—
Providence	2,959	2,452	45	11	253	24	3	6	1	82	82	—	—	—	—
Andover Service Center	12,713	10,731	—	—	—	—	—	—	—	—	—	—	—	—	—
Brookhaven Service Center	16,394	16,394	—	—	—	—	—	—	—	—	—	—	—	—	—
Mid-Atlantic Region:	24,159	19,551	473	82	1,001	222	10	330	19	636	598	692	454	21	—
Baltimore	29,323	23,384	420	166	32	186	32	501	27	604	656	915	1,010	11	—
Newark	28,516	23,443	580	86	1,334	213	23	755	36	734	1,278	711	—	36	—
Philadelphia	14,365	11,800	129	29	647	57	51	32	—	993	561	—	—	7	—
Pittsburgh	16,776	16,079	231	28	558	159	12	256	279	4	256	1,184	—	—	—
Richmond	9,954	2,473	24	12	255	30	5	4	—	80	61	—	—	—	—
Wilmington	2,927	9,827	—	—	—	—	—	—	—	—	—	—	—	—	—
Philadelphia Service Center	19,564	19,564	—	—	—	—	—	—	—	—	—	—	—	—	—
Southeast Region:	29,393	23,014	388	53	876	327	28	328	80	1,007	848	1,714	820	—	—
Atlanta	13,785	12,331	50	17	338	70	10	3	1	666	278	—	—	8	1
Birmingham	8,863	8,349	129	39	389	100	10	4	—	515	570	—	—	3	—
Columbia	18,141	15,711	375	35	1,001	419	12	499	46	679	374	—	—	10	7
Laurensville	16,865	15,548	255	40	809	166	13	263	35	665	1,060	—	—	—	—
Greensboro	8,637	7,076	134	100	470	334	47	6	—	681	501	—	—	—	—
Jackson	24,860	22,123	218	114	772	314	24	318	31	394	570	—	—	—	—
Nashville	5,423	5,406	—	—	252	88	1	—	—	2	205	369	—	2	0
Nashville	17,131	14,673	139	45	600	103	18	275	30	383	663	—	—	1	—
New Orleans	18,191	15,416	121	8	748	130	11	259	28	531	876	—	—	63	—
Atlanta Service Center	9,705	9,705	—	—	—	—	—	—	—	—	—	—	—	—	—
Memphis Service Center	5,086	5,086	—	—	—	—	—	—	—	—	—	—	—	—	—
Central Region:	31,296	13,311	770	137	654	112	16	302	39	468	1,163	3,303	1,433	8	—
Cleveland	29,069	27,427	603	242	1,773	638	215	18	445	47	1,091	944	—	46	—
Detroit	30,933	25,646	343	86	1,309	302	79	437	13	1,450	1,145	—	—	38	—
Indianapolis	21,246	18,029	159	19	652	531	30	224	17	307	1,185	—	—	13	—
Louisville	10,187	8,482	150	19	696	188	15	12	14	194	600	—	—	—	—
Pittsburgh	5,854	4,622	26	40	291	35	2	75	6	351	405	—	—	—	—
Cincinnati Service Center	11,592	11,592	—	—	—	—	—	—	—	—	—	—	—	—	—
Midwest Region:	2,788	2,045	23	20	179	24	180	74	27	125	271	—	—	—	—
Albany	50,191	36,616	538	2,351	381	24	180	549	131	1,538	2,234	3,062	1,611	23	—
Des Moines	8,704	6,816	86	85	547	127	2	169	4	513	311	—	—	—	—
Fargo	4,680	3,896	42	5	140	27	2	88	8	190	279	—	—	—	—
Heens	4,509	4,033	14	2	42	2	—	—	—	308	30	—	—	5	—
Minneapolis	15,583	11,549	188	99	1,066	111	—	160	39	698	1,695	—	—	—	—
Omaha	7,802	5,749	42	55	308	86	3	163	31	975	389	—	—	1	—
Springfield	11,199	8,108	96	68	686	98	17	189	27	1,009	630	—	—	13	—
St.Louis	21,737	16,880	597	198	958	187	15	296	89	440	830	—	—	—	—
St. Paul	19,512	16,077	211	28	882	237	50	241	97	961	723	—	—	—	—
Kansas City Service Center	4,824	8,054	—	—	—	—	—	—	—	—	—	—	—	—	—
Southeast Region:	8,482	5,569	83	3	159	37	—	36	2	437	143	—	—	13	—
Albuquerque	30,367	26,249	271	83	1,261	179	17	6	222	17	263	1,432	—	84	—
Austin	4,235	3,468	93	10	143	37	—	48	17	253	194	—	—	—	—
Dallas	46,825	35,138	1,453	127	1,638	236	9	496	115	1,350	1,823	3,299	822	319	—
Denver	13,853	11,821	619	77	683	178	27	189	27	1,009	299	—	—	63	—
Houston	35,138	30,234	1,016	73	875	301	20	265	27	1,004	1,119	—	—	204	—
Kalamazoo	21,892	18,526	178	35	837	154	21	230	17	1,392	382	—	—	110	—
Phoenix	15,306	14,325	393	12	394	112	10	170	17	256	666	—	—	—	4
San Lake City	10,750	9,555	291	12	258	62	—	—	—	272	289	—	—	—	—
Spokane	13,943	10,214	116	22	410	98	7	274	31	1,167	1,574	—	—	30	—
Ogden Service Center	17,915	17,915	—	—	—	—	—	—	—	—	—	—	—	—	—
Austin Service Center	20,946	20,943	—	—	—	—	—	—	—	—	—	—	—	2,812	3
Western Region:	8,851	5,858	82	32	231	49	12	15	—	194	377	—	—	—	—
Anchorage	5,287	3,489	46	10	126	45	—	47	—	396	1,128	—	—	—	1
Boston	5,101	4,429	125	11	151	34	41	18	2	107	222	—	—	—	—
Los Angeles	46,003	46,603	—	—	—	203	41	304	22	1,006	1,432	—	—	101	—
Los Angeles	48,071	35,604	1,471	114	1,383	227	62	704	44	1,480	2,685	2,668	1,670	37	2
Portland	11,148	8,617	386	51	567	168	17	221	11	709	967	—	—	—	—
San Diego	11,148	8,387	71	8	307	85	5	6	—	373	57	—	—	—	—
San Francisco	21,626	18,594	416	26	688	83	15	278	16	856	654	—	—	—	—
Salt Lake City	28,347	25,612	953	63	531	62	20	272	8	572	559	—	—	19	1
San Francisco	28,281	24,010	1,082	64	1,082	394	61	171	8	474	501	—	—	—	—
Seattle	28,481	22,767	572	115	915	207	47	272	34	1,048	1,504	—	—	—	—
Greenwood Service Center	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Table 11.—Returns examined by examination divisions

	1986*	1987
Additional tax proposed	832,190	917,004
Refunds proposed	98,655	90,589
No adjustments proposed	281,555	287,999
Total	1,312,400	1,295,622
Disposition of examined returns		
Not appealed	1,145,700	1,157,131
Appealed administratively	107,788	89,848
Permitted to the U.S. Tax Court	58,912	48,643
Total	1,312,400	1,295,622

\*1986 data revised to include service center tax shelter returns in examinations.

Table 12.—Examinations resulting in refunds (excluding claims for refunds)

	Number of returns		Amount recommended (in thousand of dollars)	
	1986	1987	1986	1987
Individuals	56,428	50,902	137,876	139,576
Fiduciary	1,162	870	10,400	9,981
Corporations	5,008	3,747	402,879	387,831
Estate	2,576	2,335	83,426	52,775
Gift	46	45	728	1,624
Excise	2,371	1,920	69,630	92,388
Employment	708	543	32,549	5,030
Miscellaneous	8	—	112	—
Total	68,310	60,362	736,800	668,704

Table 13.—Results of delinquent collection activity  
(in thousands)

	1986	1987
Taxpayer delinquent accounts <sup>1</sup>	\$4,897,645	\$ 6,421,420
Taxpayer delinquent accounts yield	1,992	1,938
Opening inventory	2,664	3,015
Closings	2,419	2,631
Closing inventory	1,938	2,322
(a) Number of accounts (including queue)	113	271
(b) Number of queue accounts	\$11,921,808	\$14,277,991
(c) Balance of assessed tax, penalty and interest		
Delinquent return investigations		
Opening inventory	1,040	909
Closings	1,306	1,540
Dispositions	1,507	1,055
Closing inventory (including queue)	909	1,394
Number of queue accounts	92	197
Returns compliance investigations closed	28	14
Miscellaneous investigations closed <sup>2</sup>	117	47
Offers in compromise received	6	7
Enforcement activity		
Notice of federal tax lien filed	767	837
Notice of levy served upon third party	1,617	2,056
Seizures of property made	22	30

\*The 1987 Taxpayer Delinquent Account Issuances are inflated by approximately 200,000 due to the Non Master File (NMF) conversion, those cases issued on NMF and now on Individual Master File (IMF).

<sup>2</sup>Adjusted to balance in accounting method.<sup>3</sup>Reduction due to change in program definition.Table 14.—Civil penalties assessed and abated  
(dollars in thousands)

	Assessments		Abatements		Net penalties	
	Number	Amount	Number	Amount	Number	Amount
Individual						
Delinquency	1,744,288	846,619	192,913	141,617	1,551,375	505,002
Estimated tax	2,934,257	501,742	148,331	70,961	2,785,926	432,781
Failure to pay	7,183,664	446,617	912,473	54,880	6,271,191	391,727
Bad check	234,066	3,772	8,538	1,179	225,448	2,593
Fraud	17,474	11,595	17,474	74	—	10,631
Negligence	953,632	303,604	28,860	43,133	924,772	260,471
False withholding	16,270	1,857	19	10	16,251	1,847
Other <sup>1</sup>	80,043	140,083	13,371	82,866	66,672	57,217
Total	13,137,845	2,217,768	1,303,369	421,242	11,834,476	1,796,528
Corporation <sup>2</sup>						
Delinquency	156,786	499,775	48,554	108,232	108,232	5,861
Estimated tax	304,447	439,180	49,825	349,101	254,622	90,059
Failure to pay	420,491	29,683	149,563	272,570	270,928	(20,969)
Bad check	3,427	110	207	3	3,160	53
Fraud	537	34,644	32	19,277	505	15,367
Negligence	3,194	27,141	201	7,510	2,993	19,631
Miscellaneous	113,958	282,414	25,965	137,788	87,993	144,626
Total	1,002,840	1,534,845	274,507	1,280,210	728,333	254,628
Employment <sup>3</sup>						
Delinquency	2,576,679	860,263	379,232	320,313	2,197,447	539,950
Estimated tax	6,407	5,684	3,512	3,925	2,895	2,172
Failure to pay	5,053,410	374,949	391,827	162,894	4,661,583	212,055
Federal tax deposits	3,477,077	2,447,103	519,755	790,182	2,957,322	1,656,911
Bad check	122,627	2,903	3,047	313	119,580	2,590
Fraud	856	856	73	12	813	2,413
Other	192	360	20	95	172	265
Total	11,236,678	3,693,847	1,888,436	1,277,491	9,352,242	2,416,356
Excise <sup>4</sup>						
Delinquency	283,787	52,394	38,386	24,964	245,401	27,429
Daily delinquency	44,837	716	32,980	57,969	11,857	13,520
Failure to pay	352,123	22,271	74,127	16,006	277,996	6,265
Federal tax deposits	45,588	90,190	8,984	32,246	36,604	57,945
Bad check	121	22	22	4,839	36	36
Fraud	1,141	5,562	204	340	937	5,222
Negligence	15	79	3	38	14	1,583
Other	425	1,959	97	328	328	1,632
Total	733,022	243,922	155,910	131,813	578,012	112,109
Estate and Gift						
Delinquency	7,640	45,737	3,370	44,126	4,270	1,611
Miscellaneous	145	145	26	120	119	556
Failure to pay	11,396	27,048	7,226	25,352	4,170	1,696
Bad check	289	91	66	62	223	28
Fraud	14	1,583	3	14	11	1,563
Negligence	15	79	3	38	12	43
Other	19,500	75,253	10,891	68,738	8,609	5,517
All Other <sup>5</sup>						
Delinquency	230,971	367,696	117,130	426,393	113,841	(58,697)
Failure to pay	115,742	11,527	42,970	72,772	72,772	3,675
Bad check	2,443	54	184	16	2,259	38
Fraud	1	—	—	—	—	—
Negligence	137	642	19	132	118	510
Miscellaneous	8,825	12,726	6,348	10,081	2,477	(3,255)
Total	338,099	382,645	166,651	450,474	191,448	191,448
Non-return <sup>6</sup>	476,287	6,091,116	71,659	623,682	404,628	5,467,448
Total, all civil penalties <sup>7</sup>	26,965,271	16,248,389	3,868,314	4,254,634	23,096,957	9,994,756

Note: With the exception of estimated tax, assessments and abatements can apply to any tax year. Negative net amounts reflect abatements of assessments reported in a prior fiscal year.

<sup>1</sup>Includes taxpayer identification number, failure to report tips and miscellaneous.<sup>2</sup>Includes Forms 1120, 990C and 990T.<sup>3</sup>Includes Forms 940, 941, 942, 943 and C-1.<sup>4</sup>Includes Forms 1041A, 5227, 990PF, 990 4720, 4638, 2290, 11, 11C, 720 and 730.<sup>5</sup>Includes negligence and miscellaneous.<sup>6</sup>Includes Forms 1041, 1065 and individual retirement account file.<sup>7</sup>Includes penalties assessable under the Tax Equity and Fiscal Responsibility Act of 1982 and the Tax Reform Act of 1984. Also contains amounts under IRC section 6672 but not reported in prior years because they were manually assessed. The amounts can now be reported because they were transferred to the computerized master file this year. Actual non-return penalty amounts for FY 1987 were 266,656 assessments for \$1,343,565,000 and 70,846 abatements for \$612,372,000.<sup>8</sup>Includes prior year penalties referred to in Footnote 7. Actual net penalties imposed for FY 1987 were 22,889,130 totaling \$5,258,500,000.<sup>9</sup>Less than \$500.

Table 15.—Appeals division workload not before the tax court (nondocketed)

	Number of Cases <sup>1</sup>	
	1986	1987
Received	52,390	49,443
Regular Work	29,838	28,982
Tax Shelters	22,552	20,461
Disposed of by Agreement	34,630	39,688
Regular Work	23,717	23,448
Tax Shelters	10,913	16,240
Disposed of as unagreed <sup>2</sup>	2,413	2,086
Regular Work	2,246	2,043
Tax Shelters	167	43

<sup>1</sup>A Case represents taxpayers grouped together by tax periods with common or related issues that may be considered and disposed of together.<sup>2</sup>Cases docketed in the Tax Court in response to a notice of deficiency issued by appeals are not included because they remain in inventory, merely shifting from nondocketed to docketed status. However, such cases are considered unagreed for purposes of computing the year's nondocketed agreement rate of 86.9 percent.

Note: In addition, Appeals closed 6,868 penalty appeal and employee plan exempt organization cases.

Table 16.—Appeals division workload petitioned to the tax court (docketed)

	Number of Cases <sup>1</sup>	
	1986	1987
Received .....	36,430	40,491
Regular Work .....	20,782	22,685
Tax Shelters .....	17,648	17,806
Disposed of by Agreement .....	25,941	31,412
Regular Work .....	17,822	17,859
Tax Shelters .....	8,019	13,553
Disposed of as disagreed <sup>2</sup> .....	4,026	3,997
Regular Work .....	3,251	3,012
Tax Shelters .....	775	985

<sup>1</sup>A Case represents taxpayers grouped together by tax periods with common or related issues that may be considered and disposed of together.

<sup>2</sup>Cases docketed in the Tax Court in response to a notice of deficiency issued by appeals that are subsequently filed or settled by Counsel are included. However, they are excluded in computing the 91.9 percent docketed agreement rate for the year because they were already considered as disagreed for purposes of computing the nondocketed agreement rate.

Table 17.—Requests for EP/EO tax rulings and technical advice (closings)

Subject	Total	Taxpayers' requests for tax rulings	Field requests for technical advice
Total .....	7,300	6,780	520
Actuarial matters .....	937	916	21
Exempt organizations .....	3,918	3,513	405
Employee plans .....	2,445	2,351	94

Table 18.—Determination letters issued on ERISA employee benefit plans

Letters issued	Stock bonus	Money purchase	Target benefit	Profit sharing	ESOP	Total defined contribution	Defined benefit	Total
Initial qualifications:								
Qualified .....	562	13,651	570	38,765	272	53,820	22,706	76,526
Participating employees <sup>1</sup> .....	267,627	220,308	5,739	9,068,170	197,678	9,759,522	5,117,480	14,877,002
Not qualified .....	1	1	0	10	0	12	4	16
Amendments:								
Qualified .....	1,722	43,742	1,229	85,251	307	132,251	62,365	194,616
Not qualified .....	0	7	0	18	0	23	5	28
Terminations:								
Qualified .....	64	8,522	147	10,416	*	17,149	12,097	29,246
Not qualified .....	0	6	0	13	0	19	4	23

<sup>1</sup>The termination reporting system does not distinguish between stock bonus and ESOP plans.

<sup>2</sup>These figures may include employees that are counted as participants in more than one plan.

Table 19.—Number of exempt organizations returns examined by type

Section 501(c)(3) .....	Private foundation	3,838
501(c)(3) .....	Nonexempt charitable trusts	259
501(c)(3) .....	All others	4,769
501(c)(4) .....	Civic leagues, social welfare	1,214
501(c)(5) .....	Labor, agriculture, horticulture	1,065
501(c)(6) .....	Business leagues	1,940
501(c)(7) .....	Social and recreational club	2,429
501(c) .....	All others	2,177
521 .....	Farmers' cooperatives	403
TOTAL .....		18,094

Table 20.—Number of active entities on exempt organizations master file

	1986	1987
Section 501(c):		
(1) Corporations organized under act of Congress	24	24
(2) Titleholding corps	5,859	5,977
(3) Religious, charitable, etc.	393,051	422,103
(4) Social welfare	133,940	138,485
(5) Labor, agriculture organizations	75,236	75,236
(6) Business leagues	57,064	59,981
(7) Social and recreational clubs	58,625	60,146
(8) Fraternal beneficiary societies	95,623	96,979
(9) Voluntary employees' beneficiary societies	10,776	10,927
(10) Domestic fraternal beneficiary societies	17,831	17,831
(11) Teachers' retirement funds	11	11
(12) Benevolent life insurance assns.	5,392	5,572
(13) Cemetery companies	7,800	7,842
(14) Credit unions	6,068	6,852
(15) Mutual insurance companies	949	950
(16) Corps. to finance crop operation	18	18
(17) Supplemental unemployment benefit trusts	712	728
(18) Employee funded pension trusts	3	5
(19) War veterans' organizations	24,716	24,748
(20) Legal service organizations	191	210
(21) Black lung trusts	19	21
501(c) Religious and apostolic organizations	82	88
501(c) Cooperative hospitals	81	88
501(c) Coop. service orgs. of operating educational orgs.	0	1
521 Farmers' cooperatives	2,453	2,405
Taxable Farmers' cooperatives	2,133	3,150
Nonexempt charitable trusts	29,858	38,421
TOTAL .....	629,415	678,678

<sup>1</sup>All section 501(c)(3) organizations are not included because certain organizations, such as churches, integrated auxiliaries, subordinate units and conventions or associations of churches, need not apply for recognition of exemption unless they desire a ruling.

Table 21.—Disposal of exempt organizations applications

	Applications for determination			Total
	Approved	Denied	Other *	
Section 501(c):				
(1) Corporations organized under act of Congress	0	0	1	1
(2) Titleholding corps	160	10	170	348
(3) Religious, charitable, etc.	34,325	558	13,484	48,367
(4) Social welfare	2,520	53	927	3,500
(5) Labor, agriculture organizations	461	9	139	609
(6) Business leagues	2,191	62	618	2,871
(7) Social and recreational clubs	1,456	60	911	2,427
(8) Fraternal beneficiary societies	31	9	26	66
(9) Voluntary employees' beneficiary societies	158	2	208	369
(10) Domestic fraternal beneficiary societies	44	2	62	106
(11) Teachers' retirement funds	0	0	11	11
(12) Benevolent life insurance assns.	167	4	130	301
(13) Cemetery companies	253	0	55	348
(14) Credit unions	75	0	3	78
(15) Mutual insurance companies	41	0	23	64
(16) Corps. to finance crop operation	0	0	0	0
(17) Supplemental unemployment benefit trusts	26	0	15	41
(18) Employee funded pension trusts	0	0	0	0
(19) War veterans' organizations	177	2	89	268
(20) Legal service organizations	13	1	9	23
(21) Black lung trusts	2	0	0	2
(22) Employer liability trusts	0	0	0	0
501(c) Religious and apostolic organizations	7	0	0	7
501(c) Cooperative hospitals	1	0	1	2
501(c) Coop. service orgs. of operating educational orgs.	0	0	0	0
521 Farmers' cooperatives	21	1	26	48
Taxable Farmers' cooperatives	23	0	2	25
Nonexempt charitable trusts	1,772	239	633	2,644
National Office rulings and determination letters				
TOTAL .....	43,964	1,012	17,542	62,518

\*Application withdrawn by taxpayer and failure to furnish required information.

Table 22.—Internal revenue collections, costs, employees and U.S. population

Fiscal year	Operating cost (1)	Collections (2)	Cost of collecting \$100 (3)	Population (Thousands) (4)	Tax per capita (5)	Total (6)	National Office (7)	Field (8)
1958	337,428,789	79,878,476,484	0.42	174,882	457.33	50,816	2,809	47,907
1959	355,469,228	79,787,972,806	0.44	177,830	448.73	51,226	2,969	48,257
1960	363,735,359	91,774,802,823	0.40	180,671	507.96	51,047	2,910	48,137
1961	413,295,238	94,401,066,398	0.44	183,691	513.91	53,206	3,042	50,164
1962	440,480,245	99,440,820,245	0.45	186,538	533.09	56,481	3,401	53,080
1963	500,804,314	105,925,395,281	0.47	189,242	559.74	59,711	3,657	56,054
1964	549,692,131	112,260,257,115	0.49	191,889	585.03	61,059	3,839	57,220
1965	597,387,471	114,434,633,721	0.52	194,303	588.95	62,098	3,881	58,217
1966	624,861,529	128,879,961,342	0.48	196,560	653.68	63,508	3,862	59,646
1967	667,980,295	148,574,814,532	0.45	198,712	744.69	65,945	3,894	62,051
1968	699,180,304	153,363,837,665	0.46	200,706	705.48	67,574	3,967	63,607
1969	758,765,475	167,919,559,668	0.46	202,677	927.19	66,064	3,862	62,202
1970	886,159,162	195,722,096,497	0.45	204,878	955.31	68,583	4,103	64,480
1971	961,065,297	191,647,198,138	0.51	207,053	925.83	68,972	4,358	64,614
1972	1,127,590,411	208,855,736,878	0.54	208,846	1,004.83	68,549	4,134	64,415
1973	1,162,009,945	237,787,204,058	0.49	210,410	1,130.11	74,170	4,505	69,665
1974	1,312,694,661	268,952,253,663	0.49	211,901	1,259.24	79,921	4,310	74,611
1975	1,584,711,486 <sup>1</sup>	293,822,725,772	0.54	213,559	1,375.84	82,339	4,531	77,808
1976	1,657,311,691 <sup>1</sup>	302,519,791,922	0.56	215,142	1,406.14	84,264	4,732	79,532
1977	1,790,588,738 <sup>1</sup>	356,139,416,730	0.50	217,329	1,647.91	83,743	4,994	78,749
1978	1,962,129,297 <sup>1</sup>	399,776,369,362	0.49	219,033	1,826.81	85,329	4,919	80,410
1979	2,116,166,278 <sup>1</sup>	450,412,185,013	0.46	220,999	2,063.32	86,168	4,978	81,190
1980	2,290,838,622 <sup>1</sup>	519,375,273,361	0.44	226,231 <sup>2</sup>	2,275.66 <sup>2</sup>	87,454	5,114	82,350
1981	2,455,468,704 <sup>1</sup>	606,789,120,330	0.41	230,613 <sup>2</sup>	2,631.24 <sup>2</sup>	86,156	5,110	81,046
1982	2,626,338,036 <sup>1</sup>	632,240,526,595	0.42	232,962 <sup>2</sup>	2,713.92 <sup>2</sup>	87,857	5,088	82,769
1983	2,968,528,840 <sup>1</sup>	627,246,782,581	0.47	233,225 <sup>2</sup>	2,666.54 <sup>2</sup>	83,606	4,357	79,248
1984	3,279,067,495 <sup>1</sup>	680,475,229,453	0.46	237,454 <sup>2</sup>	2,857.11 <sup>2</sup>	87,853 <sup>2</sup>	4,373	82,380
1985	3,600,552,523 <sup>1</sup>	742,871,541,283	0.48	238,714 <sup>2</sup>	3,088.96 <sup>2</sup>	92,254	5,454	86,800
1986	3,841,583,050 <sup>1</sup>	782,251,912,225	0.49	241,992 <sup>2</sup>	3,222.12 <sup>2</sup>	95,680	5,361	90,319
1987	4,365,916,254 <sup>1</sup>	886,290,589,596	0.48	244,202	3,629.33	102,188	6,253	95,935

<sup>1</sup>The figure represents actual IRS operating costs from fiscal year 1975 exclusive of reimbursements received from other agencies for services performed. While the operating cost figures for fiscal years prior to 1975 may in some cases include reimbursements, those amounts are small and do not alter the cost figures in column 8.

<sup>2</sup>Economic stabilization program average positions included in 1972, 1973 and 1974.

<sup>3</sup>Federal energy program average positions included in 1974.

<sup>4</sup>Adjusted by 3,990 average positions to reflect the ATF transfer July 1972. ATF included in years 1955-71.

<sup>5</sup>Eleven average positions transferred to the office of the Secretary in 1965. Twenty average positions transferred to the office of the Secretary in 1963.

<sup>6</sup>Proportion and Tax per Capita figures have been revised to agree with the Census Bureau's adjusted data on population.

<sup>7</sup>Methodology to count average positions realized was adjusted in 1984 to conform to Office of Personnel Management instructions 1983 average positions realized also are adjusted for comparability.

Table 23.—Costs incurred by the Internal Revenue Service by activity  
(in thousands of dollars)

Appropriation by Activity	Total 1986	Total 1987	Per. Comp. and Benefits 1986	Per. Comp. and Benefits 1987	Other 1986	Other 1987
Total Obligations, Appropriations and Reimbursements	3,866,907	4,405,115	2,781,579	3,051,431	1,105,228	1,353,684
Obligations against appropriated funds	3,941,985	4,365,816	2,749,418	3,036,116	1,092,567	1,339,702
Salaries and Expenses	89,475	90,693	67,380	66,300	22,115	24,393
Executive Director	6,538	8,330	5,409	5,512	1,229	2,818
Management Services	82,637	82,363	61,951	50,788	20,686	31,575
Processing Tax Returns	1,247,483	1,421,112	707,948	780,694	539,535	640,418
Total	917,983	1,056,202	577,555	662,982	340,430	393,220
Computer Services	329,498	364,910	130,393	117,712	199,105	247,198
Examination and Appeals	1,401,171	1,631,890	1,148,624	1,303,682	251,547	328,208
Total	1,135,501	1,304,179	933,684	1,032,367	205,817	271,792
Appeals and Tax Litigation	152,639	185,694	133,598	160,797	20,041	28,897
Employee Plans and Exempt Organizations	90,031	104,980	82,442	94,536	16,589	20,444
International	0	33,137	0	25,962	0	7,175
Investigation, Collection and Taxpayer Service	1,103,656	1,222,023	824,186	895,440	279,470	326,583
Total	221,305	245,370	171,201	182,015	50,104	63,355
Collection	606,498	660,559	467,094	500,772	139,404	159,887
Taxpayer Service	206,212	240,606	130,001	153,608	76,211	96,768
Enforcement Litigation and Technical	67,841	66,368	55,890	56,615	11,951	7,573
Reimbursable Obligations, Total	24,822	39,297	12,281	15,515	12,681	23,882

<sup>1</sup>International was formed during FY 1987.

Table 24.—Costs incurred by the Internal Revenue Service by office  
(in thousands of dollars)

Internal Revenue Office, District or Region	Total (1)	Personal Compensation (2)	Travel (3)	Equipment (4)	Other (5)
<b>A. TOTAL INTERNAL REVENUE SERVICE</b>	<b>4,405,115</b>	<b>3,051,431</b>	<b>133,740</b>	<b>112,825</b>	<b>1,105,119</b>
National Office	863,204	299,023	25,095	45,635	493,051
North Atlantic	510,883	389,927	11,116	8,213	101,727
Mid Atlantic	371,615	286,127	8,750	8,586	66,152
Southeast	512,050	394,993	11,112	5,265	89,105
Central	313,766	242,369	10,969	5,062	55,366
Midwest	336,707	262,908	11,914	7,299	56,586
Southwest	697,801	470,406	17,065	8,956	100,454
Western	571,289	433,994	20,092	7,851	107,352
Regional Office	105,817	96,169	3,134	2,783	3,749
Regional Counsel	77,697	68,719	1,112	1,204	5,660
Regional Inspection	40,378	32,670	3,495	1,682	2,331
National Computer Center	27,304	15,414	215	738	10,937
IRS Data Center	54,584	37,565	469	2,798	13,752
<b>B. REGIONAL COMMISSIONERS' OFFICE (excluding District Directors Offices and Service Centers)</b>	<b>294,215</b>	<b>78,009</b>	<b>15,783</b>	<b>12,844</b>	<b>189,579</b>
North Atlantic	20,948	10,331	1,364	1,460	7,793
Mid Atlantic	10,382	5,115	1,112	1,204	2,953
Southeast	29,465	9,836	2,876	1,281	15,472
Central	36,345	10,008	2,083	2,501	21,753
Midwest	35,673	9,888	1,737	850	22,198
Southwest	57,968	11,888	2,515	4,694	38,771
Western	74,555	13,676	3,996	754	56,139
<b>C. DISTRICT DIRECTORS OFFICES AND SERVICE CENTERS</b>	<b>2,942,015</b>	<b>2,426,824</b>	<b>83,730</b>	<b>42,378</b>	<b>389,083</b>
North Atlantic	490,025	379,596	9,752	6,753	63,934
Albany	14,083	11,126	646	503	1,808
Augusta	6,304	5,203	342	85	674
Boston	55,411	40,954	1,031	10,891	1,535
Brooklyn	55,413	45,548	1,243	420	8,202
Buffalo	20,401	20,048	1,321	572	4,360
Burlington	2,550	2,550	45	42	0
Hartford	27,845	22,663	921	726	3,535
Manhattan	50,062	37,496	1,377	835	12,354
Portland	6,866	5,992	354	120	819
Providence	7,773	6,364	333	218	858
North Atlantic Region centralized training	469	456	10	10	0
Mid Atlantic Service Center	55,551	42,244	1,338	21,569	1,000
Brooklyn Service Center	104,177	75,439	481	760	27,437
Mid Atlantic Service Center	332,884	275,745	7,638	1,282	41,899
Baltimore	50,398	42,524	1,071	1,449	5,054
Newark	62,640	54,547	1,849	1,712	4,532
Philadelphia	50,843	43,851	1,323	925	4,544
Pittsburgh	25,333	21,847	950	575	1,981
Richmond	33,317	27,579	1,569	831	3,338
Wilmington	5,500	4,770	200	191	339
Forms Distribution Center	6,717	600	156	174	5,801
Mid Atlantic Region centralized training	330	300	30	30	0
Philadelphia Service Center	97,486	75,616	310	1,443	20,117
Southeast	482,585	385,157	15,811	7,984	73,633
Atlanta	62,196	49,369	2,464	1,317	9,046
Birmingham	17,137	14,629	1,007	139	1,362
Columbia	12,894	10,615	755	240	1,294
Fort Lauderdale District	47,403	35,224	2,515	2,233	7,431
Greenboro	28,234	24,297	1,366	440	2,141
Jackson	12,084	9,827	677	249	1,331
Jacksonville	51,562	41,183	1,805	343	8,251
Little Rock	12,141	10,181	809	178	993
Nashville	34,723	27,291	1,496	427	5,509
New Orleans	28,557	23,445	1,039	575	2,896
Southwest Region centralized training	631	600	30	30	0
Atlanta Service Center	94,919	75,644	412	1,187	17,676
Memphis Service Center	80,184	63,472	395	656	15,661
Central	277,441	223,381	8,886	2,961	35,813
Cincinnati	37,540	32,738	1,278	293	3,231
Cleveland	39,244	33,323	1,420	314	3,587
Detroit	56,517	48,924	2,451	532	4,810
Indianapolis	34,512	28,450	1,373	367	4,322
Louisville	15,854	14,378	984	104	1,268
Parkersburg	9,498	8,139	556	57	746
Treasury Complaints Processing Center	631	508	40	20	63
Central Region centralized training	473	410	63	63	0
Cincinnati Service Center	82,162	65,321	374	874	15,993
Midwest	323,093	273,109	10,177	6,439	33,266
Albany	4,501	3,687	258	172	264
Chicago	86,035	76,602	2,213	1,553	5,667
Des Moines	15,202	12,614	734	485	1,369
Fargo	4,820	4,029	243	116	327
Heaven	5,905	5,014	449	95	347
Minneapolis	25,342	21,563	972	664	2,143
Omaha	11,038	9,360	477	295	906
St. Louis	39,500	33,539	1,668	835	3,259
St. Paul	30,224	25,226	1,213	386	2,267
Springfield	12,140	10,628	758	248	753
Forms Distribution Center	7,088	6,143	143	133	1,367
Midwest Region centralized training	421	400	20	20	0
Kansas City Service Center	78,490	62,526	400	1,022	14,478
Treasury Complaints Processing Center	478	336	55	65	21

Table 24.—Continued  
(in thousands of dollars)

Southwest	539,833	458,518	15,270	4,262	61,683
Albuquerque	8,191	7,142	496	26	525
Austin	36,113	31,391	1,894	171	2,667
Cheyenne	4,681	3,911	453	13	304
Dallas	84,900	73,581	3,480	899	6,940
Denver	41,933	36,072	1,448	168	4,245
Houston	61,944	54,531	1,630	555	5,228
Indianapolis	27,835	24,919	1,356	108	1,456
Phoenix	24,142	20,651	965	105	2,221
San Jose	9,690	8,749	490	26	425
San Francisco	16,030	14,230	813	43	944
Treasury Compliance Center	751	599	139	12	1
Southwest Region centralized training	888	72,351	714	805	174
Austin Service Center	90,311	84,121	620	1,041	16,730
Opticon Service Center	103,978	84,121	620	1,041	17,898
Austin Compliance Center	28,442	26,070	157	288	1,927
Western	498,724	422,318	16,096	7,997	51,213
Anchorage	11,325	9,486	969	91	729
Boise	7,172	5,935	480	271	466
Honolulu	8,912	8,032	325	115	438
Laguna Niguel	69,189	60,877	3,047	749	5,116
Los Angeles	83,724	81,278	2,406	827	9,213
Portland	19,001	15,773	811	425	1,992
San Diego	14,558	11,343	787	133	1,715
Sacramento	30,257	25,473	1,153	795	2,836
San Francisco	50,605	42,766	1,013	1,107	5,719
San Jose	40,018	33,807	2,453	1,002	2,776
Seattle	33,902	29,460	1,312	376	2,754
Western Region centralized training	755	651	104	104	104
Fresno Service Center	116,911	97,050	676	1,139	17,146
Treasury Compliance Processing Center	443	314	26	58	45
Forms Distribution Center	272	113	6	9	144

Note: Reimbursements are included in the above figures.

Table 25.—Personnel summary

Location and Type	Average Positions Realized		Number of Employees at Close of Year	
	1986	1987	1986	1987
Service total	96,395	102,774	102,206	114,018
Permanent	92,646	99,180	97,579	107,968
Temporary	3,749	3,594	4,627	6,050
National Office	5,470	6,395	5,683	7,054
Regional Offices	90,925	96,379	96,543	106,964
Data Processing Operations	30,254	31,689	32,879	36,006
Collection	15,571	16,255	15,874	17,429
Revenue Officers	7,247	7,229	7,359	7,470
Other	8,324	8,036	8,515	9,959
Taxpayer Service	5,326	6,005	5,892	7,308
Specialists	608	737	701	864
Taxpayer Service	1,302	1,657	1,660	1,883
Representatives	3,416	3,611	3,531	4,561
Other				
Examination	26,120	29,243	27,797	31,112
Revenue Agents	13,619	14,944	14,507	16,109
Tax Auditors	3,292	3,105	3,409	3,138
Other	9,209	11,194	9,881	11,875
Employee Plans/Exempt Organizations	2,099	2,311	2,280	2,409
EPIEO Technicals	1,251	1,303	1,234	1,325
Other	848	1,008	1,026	1,084
Appeals	2,228	2,503	2,346	2,753
Appeals Officers	1,052	1,167	1,082	1,242
Auditors	173	193	178	207
Other	1,003	1,143	1,086	1,304
Tax Fraud	4,122	4,974	4,270	4,466
Special agents	2,800	2,715	2,752	2,823
Other	1,322	1,259	1,518	1,637
Executive Direction	124	120	116	133
Management Services	2,046	1,785	2,550	2,464
Resources Management	4,082	4,586	4,340	5,310
Centralized Services*	1,119	0	443	0
Counsel	2,382	2,521	2,479	2,820
Inspection	952	994	960	1,068
International†	0	698	0	736

Note: Reimbursements are included in the above figures.

\*Includes National Computer Center and the Data Center.

†Centralized Services staffing was absorbed by its client functions.

\*International was formed during FY 1987.

Table 26.—Chief Counsel cases received

	Tax court cases		Total	General legal services	Refund litigation
	Small tax cases	Other than small cases			
1982	9,814	20,925	30,739	3,620	821
1983	10,036	22,574	32,610	3,672	961
1984	12,263	27,670	39,933	4,335	994
1985	14,584	34,256	48,840	4,941	1,023
1986	14,587	34,200	48,787	5,126	1,454
1987	14,243	29,256	43,499	5,743	1,065

\*Received statistics are net numbers, i.e., actual number of cases received plus or minus transfers and adjustments to prior years' receipts.

Table 27.—Chief Counsel receipts and disposal of cases

Division	Types of cases	Pending Oct. 1, 1988	Received*	Disposed	Pending Sept. 30, 1989
Disclosure litigation	Disclosure opinions	128	197	174	151
	FOIA opinions	15	27	31	11
	Privacy Act opinions	8	24	25	7
	FOIA litigation	66	39	48	37
	Privacy Act litigation	41	6	23	24
	Section 7431 litigation	6	0	0	0
	Section 7217 litigation	29	20	20	29
	Litigation/Coordination	11	22	22	11
	Appellate litigation	34	17	22	29
	FOIA requests	106	158	146	118
	FOIA appeals	394	800	574	620
	Privacy Act requests	2	1	2	1
	Privacy Act appeals	2	12	12	2
Total		842	1,323	1,104	1,061
Employee plans and exempt organizations	Revenue rulings	15	56	56	15
	Letter rulings	15	48	38	25
	Technical advice	23	22	36	9
	Other advice	14	26	29	11
	Legislation	5	2	1	6
	Regulations	71	40	38	75
	Miscellaneous	20	51	35	36
Total		163	245	231	177
General litigation	Bankruptcies	9,836	13,240	11,135	11,841
	Non-bankruptcy individuals	137	97	103	131
	Decedents; incompetents	371	173	205	339
	Collection suits (U.S. Plaintiff)	1,887	3,802	3,660	2,039
	Suits against U.S.	2,021	1,782	1,854	2,139
	Foreign documents requests	1	9	6	4
	Tax return preparers	56	81	15	122
	Summons enforcement	5,755	6,904	7,106	5,553
	Disclosure, FOIA & privacy acts	109	546	492	153
	Advisory opinions	1,300	5,761	5,451	1,580
	Total, all regions**	21,493	32,395	29,867	24,021
	National Office:				
	Appeals	558	347	537	368
	Advisory	146	471	478	139
	Other centralized cases***	44	1	24	21
	Total, National Office	748	819	1,039	528
	Total, all regions** & National Office	22,241	33,214	30,906	24,549
Interpretative	Revenue rulings	83	284	253	114
	Letter rulings	40	40	54	26
	Technical advice	27	17	32	12
	Advisory opinions	17	33	34	18
	Litigation advice	29	79	74	34
Total		196	453	447	202
Legislation & regulations	Legislation	47	2	14	35
	Regulations	380	150	176	354
	Miscellaneous	92	59	69	82
Total		519	211	259	471

\* Received statistics are net numbers, i.e., actual number of cases received plus or minus transfers and adjustments to prior years' receipts.

\*\* Includes the Office of International.

\*\*\* Includes actions for injunctions and/or declaratory relief.

COMMISSIONERS OF  
INTERNAL REVENUEOffice of Commissioner of Internal  
Revenue created by Act of Congress,  
July 1, 1862GEORGE S. BOUTWELL  
Massachusetts  
July 17, 1862/March 4, 1863JOSEPH J. LEWIS  
Pennsylvania  
March 18, 1863/June 30, 1865WILLIAM ORTON  
New York  
July 1, 1865/Oct. 31, 1865EDWARD A. ROLLINS  
New Hampshire  
Nov. 1, 1865/March 10, 1869COLUMBUS DELANO  
Ohio  
March 11, 1869/Oct. 31, 1870ALFRED PLEASANTON  
New York  
Jan. 3, 1871/Aug. 8, 1871JOHN W. DOUGLASS  
Pennsylvania  
Aug. 9, 1871/May 14, 1875DANIEL D. PRATT  
Indiana  
May 15, 1875/July 31, 1876GREEN B. RAUM  
Illinois  
Aug. 2, 1876/April 30, 1883WALTER EVANS  
Kentucky  
May 21, 1883/March 19, 1885JOSEPH S. MILLER  
West Virginia  
March 20, 1885/March 20, 1889JOHN W. MASON  
West Virginia  
March 21, 1889/April 18, 1893JOSEPH S. MILLER  
West Virginia  
April 19, 1893/Nov. 26, 1896W. ST. JOHN FORMAN  
Illinois  
Nov. 27, 1896/Dec. 31, 1897NATHAN B. SCOTT  
West Virginia  
Jan. 1, 1898/Feb. 28, 1899GEORGE W. WILSON  
Ohio

March 1, 1899/Nov. 27, 1900

JOHN W. YERKES  
Kentucky  
Dec. 20, 1900/April 30, 1907JOHN G. CAPERS  
South Carolina  
June 5, 1907/Aug. 31, 1909ROYAL E. CABELL  
Virginia  
Sept. 1, 1909/April 27, 1913WILLIAM H. OSBORN  
North Carolina  
April 28, 1913/Sept. 25, 1917DANIEL C. ROPER  
South Carolina  
Sept. 26, 1917/March 31, 1920WILLIAM M. WILLIAMS  
Alabama  
April 1, 1920/April 11, 1921DAVID H. BLAIR  
North Carolina  
May 27, 1921/May 31, 1929ROBERT H. LUCAS  
Kentucky  
June 1, 1929/Aug. 15, 1930DAVID BURNET  
Ohio  
Aug. 20, 1930/May 15, 1933GUY T. HELVERING  
Kansas  
June 6, 1933/Oct. 8, 1943ROBERT E. HANNEGAN  
Missouri  
Oct. 9, 1943/Jan. 22, 1944JOSEPH D. NUNAN, JR.  
New York  
March 1, 1944/June 30, 1947GEORGE J. SCHOENEMAN  
Rhode Island  
July 1, 1947/July 31, 1951JOHN B. DUNLAP  
Texas  
Aug. 1, 1951/Nov. 18, 1952T. COLEMAN ANDREWS  
Virginia  
Feb. 4, 1953/Oct. 31, 1955RUSSELL C. HARRINGTON  
Rhode Island  
Dec. 5, 1955/Sept. 30, 1958DANA LATHAM  
California  
Nov. 5, 1958/Jan. 20, 1961MORTIMER M. CAPLIN  
Virginia  
Feb. 7, 1961/July 10, 1964SHELDON S. COHEN  
Maryland  
Jan. 25, 1965/Jan. 20, 1969RANDOLPH W. THROWER  
Georgia  
April 1, 1969/June 22, 1971JOHNNIE M. WALTERS  
South Carolina  
Aug. 6, 1971/April 30, 1973DONALD C. ALEXANDER  
Ohio  
May 25, 1973/Feb. 26, 1977JEROME KURTZ  
Pennsylvania  
May 5, 1977/Oct. 31, 1980ROSCOE L. EGGER, JR.  
Indiana

March 14, 1981/April 30, 1986

LAWRENCE B. GIBBS  
Texas

Aug. 4, 1986/present

The following served as Acting Commissioner during periods when there was no Commissioner holding the office.

JOSEPH J. LEWIS of Pennsylvania from March 5 to March 17, 1863

JOHN W. DOUGLASS of Pennsylvania from Nov. 1, 1870, to Jan. 2, 1871

HENRY C. ROGERS of Pennsylvania from May 1 to May 10, 1883, and from May 1 to June 4, 1907

JOHN J. KNOX of Minnesota from May 11 to May 20, 1883

ROBERT WILLIAMS, JR. of Ohio from Nov. 18 to Dec. 19, 1900

MILLARD F. WEST of Kentucky from April 12 to May 26, 1921

H. F. MIRES of Washington from Aug. 16 to Aug. 19, 1930

PRESSLY R. BALDRIDGE of Iowa from May 16 to June 5, 1933

HAROLD N. GRAVES of Illinois from Jan. 23 to Feb. 29, 1944

JOHN S. GRAHAM of North Carolina from Nov. 19, 1952 to Jan. 19, 1953

JUSTIN F. WINKLE of New York from Jan. 20 to Feb. 3, 1953

O. GORDON DELK of Virginia from Nov. 1 to Dec. 4, 1955, and from Oct. 1 to Nov 4, 1958

CHARLES I. FOX of Utah from Jan. 21 to Feb. 6, 1961

BERTRAND M. HARDING of Texas from July 11, 1964 to Jan. 24, 1965

WILLIAM H. SMITH of Virginia from Jan. 21 to Aug. 5, 1971

HAROLD T. SWARTZ of Indiana from June 23 to Aug. 5, 1971

RAYMOND F. HARLESS of California from May 1 to May 25, 1973

WILLIAM E. WILLIAMS of Illinois from Feb. 27 to May 4, 1977, and from Nov. 1, 1980 to March 13, 1981

JAMES I. OWENS of Alabama from May 1 to Aug. 3, 1986

## PRINCIPAL OFFICERS OF THE INTERNAL REVENUE SERVICE

as of September 30, 1987

### NATIONAL OFFICE

COMMISSIONER  
Lawrence B. Gibbs

SENIOR DEPUTY COMMISSIONER  
Michael J. Murphy

DEPUTY COMMISSIONER  
(OPERATIONS)  
Charles H. Brennan

DEPUTY COMMISSIONER  
(PLANNING AND RESOURCES)  
John L. Wedick, Jr.

ASSISTANT TO THE COMMISSIONER  
Donald T. Rocen

ASSISTANT TO THE COMMISSIONER  
Richard C. Stark

ASSISTANT TO THE COMMISSIONER  
Kenton E. McDonald

SENIOR ADVISOR  
James I. Owens

ASSISTANT TO SENIOR  
DEPUTY COMMISSIONER  
Roger L. Plate

ASSISTANT TO THE COMMISSIONER  
(EQUAL EMPLOYMENT  
OPPORTUNITY)  
Hardi L. Jones

ASSISTANT TO THE COMMISSIONER  
(PUBLIC AFFAIRS)  
Ellen Murphy

ASSISTANT TO THE COMMISSIONER  
(LEGISLATIVE AFFAIRS)  
Bryan E. Slone

DIVISION DIRECTOR  
(LEGISLATIVE AFFAIRS)  
Gayle G. Morin

EXECUTIVE SECRETARY  
Robert F. Hilgen (Acting)

TAXPAYER OMBUDSMAN  
Jack G. Petrie

### INSPECTION

ASSISTANT COMMISSIONER  
John M. Rankin, Jr.

DEPUTY  
ASSISTANT COMMISSIONER  
Kenneth A. Thompson

DIVISION DIRECTORS:

INTERNAL AUDIT  
Erwin Sobin

INTERNAL SECURITY  
C. Arnold Decker

### INFORMATION SYSTEMS DEVELOPMENT

ASSISTANT COMMISSIONER  
Henry H. Philcox

DEPUTY  
ASSISTANT COMMISSIONER  
Mark D. Cox

DIRECTORS:

APPLICATIONS  
David Boose

DESIGN  
Peggy O'Rourke

INPUT PROCESSING  
Thomas Dega

PLANNING AND  
PROJECT MANAGEMENT  
William Lowther

STANDARDS AND DATA  
ADMINISTRATION  
Renee Shaw

### COMPUTER SERVICES

ASSISTANT COMMISSIONER  
Daniel N. Capozzoli

DEPUTY  
ASSISTANT COMMISSIONER  
Walter A. Hutton, Jr.

DIRECTORS:

COMPLIANCE  
PROCESSING SYSTEMS  
Richard W. Marsh

HARDWARE  
Ludwig G. Kuttner

PLANNING, BUDGETING  
AND REVIEW STAFF  
Donald E. Curtis

TAX PROCESSING SYSTEMS  
Gerald A. Rabe

USER ASSISTANCE & COMPUTER  
CAPACITY MANAGEMENT OFFICE  
Bernard F. Miller

### TAXPAYER SERVICE AND RETURNS PROCESSING

ASSISTANT COMMISSIONER  
Dominic E. Pecorella

DEPUTY  
ASSISTANT COMMISSIONER  
John T. Ader

DIRECTORS:

PROGRAM PLANNING  
AND REVIEW STAFF  
Ophelia W. Burton

RETURNS PROCESSING  
AND ACCOUNTING  
Michael R. Allen

STATISTICS OF INCOME  
Frederick J. Scheuren

TAX FORMS & PUBLICATIONS  
Edmund Goldwag

TAXPAYER SERVICE  
Walter M. Alt

PROJECT MANAGERS:  
ELECTRONIC FILING  
PROJECT OFFICE  
Richard Moran

INTEGRATED MANAGEMENT  
SYSTEMS PROJECT OFFICE  
Gary Brandt

### COLLECTION

ASSISTANT COMMISSIONER  
William M. Wauben

DEPUTY  
ASSISTANT COMMISSIONER  
Paul M. Harrington

DIRECTORS:

EVALUATION AND RESEARCH  
William Rooney

FIELD OPERATIONS  
Grant A. Newman

PLANNING & MANAGEMENT  
Lewis I. Baurer

PROJECT MANAGERS:

INTEGRATED COLLECTION  
SYSTEM STAFF  
William Meehan

LOCATION SERVICES  
Jim Day

### CRIMINAL INVESTIGATION

ASSISTANT COMMISSIONER  
Anthony V. Langone

DEPUTY  
ASSISTANT COMMISSIONER  
Joseph T. Pagani

DIRECTORS:

INVESTIGATIONS  
Brian M. Bruh

PLANNING & DEVELOPMENT  
Glenn E. McAdams

### EXAMINATION

ASSISTANT COMMISSIONER  
Vacant

DEPUTY  
ASSISTANT COMMISSIONER  
Ralph F. Shilling

PROJECT MANAGER, AUTOMATED  
EXAMINATION SYSTEMS  
Robert K. Dooley

DIRECTORS:

COORDINATED EXAMINATION  
Donald H. Anderson

DISCLOSURE  
William D. Hamilton

EXAMINATION PLANNING  
AND RESEARCH  
Thomas Andretta

EXAMINATION PROGRAMS  
M. Dianne Grant

EXAMINATION SUPPORT SYSTEMS  
Carman L. Gannotti

### EMPLOYEE PLANS AND EXEMPT ORGANIZATIONS

ASSISTANT COMMISSIONER  
Robert I. Brauer

DEPUTY  
ASSISTANT COMMISSIONER  
Robert E. Withers

DIRECTORS:

EMPLOYEE PLANS  
TECHNICAL AND ACTUARIAL  
Martin I. Slate

EXEMPT ORGANIZATIONS  
TECHNICAL  
Edward D. Coleman

**INTERNATIONAL**

ASSISTANT COMMISSIONER  
Percy Woodard, Jr.

**DEPUTY**

ASSISTANT COMMISSIONER  
Donald E. Bergherm

**DIRECTORS:**

COMPLIANCE  
William C. Roth

**FOREIGN PROGRAMS**

Louis W. Hobbie

SUPPORT AND MANAGEMENT  
Athene Anderson

TAX TREATY AND  
TECHNICAL SERVICES  
Stanley Novack

TAX ADMINISTRATION  
ADVISORY SERVICES  
Joe D. Hook

**HUMAN RESOURCES****MANAGEMENT & SUPPORT**

ASSISTANT COMMISSIONER  
Michael P. Dolan

**DEPUTY**

ASSISTANT COMMISSIONER  
Orion L. Birdsall, Jr.

**DIRECTORS:**

CONTRACTS AND ACQUISITIONS  
Edward J. Curvey

FACILITIES AND INFORMATION  
MANAGEMENT SUPPORT  
John T. Blank

HUMAN RESOURCES  
William M. Caine

NATIONAL OFFICE  
RESOURCES MANAGEMENT  
Suellen P. Hamby

DIRECTOR OF PRACTICE  
Leslie S. Shapiro

**PLANNING, FINANCE  
AND RESEARCH**

ASSISTANT COMMISSIONER  
Vacant

**DEPUTY**

ASSISTANT COMMISSIONER  
Gerry G. Notte

**DIRECTORS:**

DETROIT DATA CENTER,  
DETROIT, MICHIGAN  
Jack L. Schroeder

FINANCE  
Stephen E. Taylor

PLANNING  
Alan A. Beck

RESEARCH  
Frank M. Malanga

**REGIONAL AND DISTRICT  
OFFICERS****CENTRAL REGION**

REGIONAL COMMISSIONER  
Patrick J. Ruttle

ASSISTANT REGIONAL  
COMMISSIONERS:

COLLECTION  
Donovan H. Williams

CRIMINAL INVESTIGATION  
Inar Monics

DATA PROCESSING  
Charles F. Jones

EXAMINATION  
Donald L. Houck

RESOURCES MANAGEMENT  
Jon R. Swan

**DISTRICT DIRECTORS:**

CINCINNATI, OH  
Harold M. Browning

**CLEVELAND, OH**

Jack Chivatero  
DETROIT, MI  
John O. Hummel

INDIANAPOLIS, IN  
William M. Jacobs

LOUISVILLE, KY  
William E. Paizkill

PARKERSBURG, WV  
Ronald W. Kirby

DIRECTOR, CINCINNATI  
SERVICE CENTER  
Frederic P. Williams

REGIONAL INSPECTOR  
Vacant

**MID-ATLANTIC REGION**

REGIONAL COMMISSIONER  
J. Robert Starkey

ASSISTANT  
REGIONAL COMMISSIONERS:

COLLECTION  
Leroy C. Gay

CRIMINAL INVESTIGATION  
Thomas A. Wise

DATA PROCESSING  
Donald N. Spagnuolo

EXAMINATION  
Douglas A. Holm

RESOURCES MANAGEMENT  
Joseph F. Kump

**DISTRICT DIRECTORS:**

BALTIMORE, MD  
Teddy R. Kern

NEWARK, NJ  
John J. Jennings

PHILADELPHIA, PA  
Charles E. Roddy

PITTSBURGH, PA  
George A. O'Hanlon

RICHMOND, VA  
Gerald R. Esposito

WILMINGTON, DE  
Clare Shy Winter

DIRECTOR, PHILADELPHIA  
SERVICE CENTER  
Joseph H. Cloonan

REGIONAL INSPECTOR  
Benjamin J. Redmond

**MIDWEST REGION**

REGIONAL COMMISSIONER  
Elmer W. Kletke

ASSISTANT  
REGIONAL COMMISSIONERS:

COLLECTION  
Allen G. Woodhouse

CRIMINAL INVESTIGATION  
Warren E. Harrison

DATA PROCESSING  
James A. Grant

EXAMINATION  
Leon Moore

RESOURCES MANAGEMENT  
Jack E. Shank

**DISTRICT DIRECTORS:**

ABERDEEN, SD  
David H. Reizes

CHICAGO, IL  
Vacant

DES MOINES, IA  
John Edwards

FARGO, ND  
Woodrow D. Malone

HELENA, MT  
John C. Wendorff

MILWAUKEE, WI  
Lawrence M. Phillips

OMAHA, NE  
Mitchell E. Premis

SPRINGFIELD, IL  
Ira S. Loeb

ST. LOUIS, MO  
Robert A. LeBaube

ST. PAUL, MN  
C. Dudley Switzer

DIRECTOR, KANSAS CITY  
SERVICE CENTER  
Everett Louny

REGIONAL INSPECTOR  
Joseph F. Jech

**NORTH ATLANTIC REGION**

REGIONAL COMMISSIONER  
Cornelius J. Coleman

ASSISTANT  
REGIONAL COMMISSIONERS:

COLLECTION  
Eugene P. Pfeiffer

CRIMINAL INVESTIGATION  
Michael Orth

DATA PROCESSING  
Francine Crowley

EXAMINATION  
Marshall V. Washburn

RESOURCES MANAGEMENT  
John J. Dunne

**DISTRICT DIRECTORS:**

ALBANY, NY  
Edwin A. Kelleher

AUGUSTA, ME  
James E. Daly, Jr.

BOSTON, MA  
John D. Johnson

BROOKLYN, NY  
Vacant

BUFFALO, NY  
Gary H. Matthews  
BURLINGTON, VT  
Joyce Weitz

HARTFORD, CT  
James E. Quinn

MANHATTAN, NY  
Pete J. Medina

PORTSMOUTH, NH  
Donald Mitgang

PROVIDENCE, RI  
Malcolm A. Liebermann

DIRECTOR, BROOKHAVEN  
SERVICE CENTER  
Bobby G. Hughes

DIRECTOR, ANDOVER  
SERVICE CENTER  
Thomas M. Quinn

REGIONAL INSPECTOR  
Joseph F. Reinbold

**SOUTHEAST REGION**

REGIONAL COMMISSIONER  
Thomas A. Cardoza

ASSISTANT  
REGIONAL COMMISSIONERS:

COLLECTION  
Vacant

CRIMINAL INVESTIGATION  
David B. Palmer

DATA PROCESSING  
Henry E. Leech, Jr.

EXAMINATION  
Vacant

RESOURCES MANAGEMENT  
Lee R. Monks

**DISTRICT DIRECTORS:**

ATLANTA, GA  
Paul D. Williams

BIRMINGHAM, AL  
Philip J. Sullivan

COLUMBIA, SC  
Donald L. Breihan

FT. LAUDERDALE, FL  
Merlin W. Heye

GREENSBORO, NC  
John E. Burke

JACKSON, MS  
Tully Miller

JACKSONVILLE, FL  
James J. Ryan

LITTLE ROCK, AK  
William F. Bartlow

NASHVILLE, TN  
Alvin H. Kolak

NEW ORLEANS, LA  
David G. Blattner

DIRECTOR, ATLANTA  
SERVICE CENTER  
Sylvia H. Wren

DIRECTOR, MEMPHIS  
SERVICE CENTER  
Raymond P. Keenan

REGIONAL INSPECTOR  
Billy G. Morrison

#### SOUTHWEST REGION

REGIONAL COMMISSIONER  
Richard C. Voskuil

ASSISTANT  
REGIONAL COMMISSIONERS:

COLLECTION  
Gerald F. Swanson

CRIMINAL INVESTIGATION  
Glenn E. Shepard

DATA PROCESSING  
Charles J. Peoples

EXAMINATION  
James R. Kopidlansky

RESOURCES MANAGEMENT  
James A. Lindsey

#### DISTRICT DIRECTORS:

ALBUQUERQUE, NM  
Francis L. Browitt

AUSTIN, TX  
Gary O. Booth

CHEYENNE, WY  
Conrad L. Clapper

DALLAS, TX  
Glenn Cagle

DENVER, CO  
Gerald L. Miltbachler

HOUSTON, TX  
Arturo A. Jacobs

OKLAHOMA CITY, OK  
Kenneth J. Sawyer

PHOENIX, AZ  
Prescott A. Berry

SALT LAKE CITY, UT  
Carol M. Fay

WICHITA, KS  
Clarence M. King, Jr.

DIRECTOR, AUSTIN  
COMPLIANCE CENTER  
Robert D. Ah Nee

DIRECTOR, AUSTIN  
SERVICE CENTER  
Larry G. Westfall

DIRECTOR, OGDEN  
SERVICE CENTER  
Robert E. Wenzel

REGIONAL INSPECTOR  
Derle Rudd

#### WESTERN REGION

REGIONAL COMMISSIONER  
Thomas P. Coleman

ASSISTANT  
REGIONAL COMMISSIONERS:

COLLECTION  
James D. Helm

CRIMINAL INVESTIGATION  
Darrell G. Smith

DATA PROCESSING  
Fredric F. Perdue

EXAMINATION  
Richard S. Wintrobe

RESOURCES MANAGEMENT  
Charles W. Gilbert

#### DISTRICT DIRECTORS:

ANCHORAGE, AK  
Calvin E. Esselstrom

BOISE, ID  
Richard R. Orosco

HONOLULU, HI  
Philip E. Coates

LAGUNA NIGUEL, CA  
Michael J. Quinn

LOS ANGELES, CA  
Frederick C. Nielsen

PORTLAND, OR  
Carolyn K. Leonard

LAS VEGAS, NV  
Jesse A. Cota

SACRAMENTO, CA  
Raymond A. Spillman

SAN FRANCISCO, CA  
Francis S. Miceli

SAN JOSE, CA  
Vacant

SEATTLE, WA  
Robert E. Mirsberger

DIRECTOR,  
FRESNO SERVICE CENTER  
Theron C. Polivka

REGIONAL INSPECTOR  
Aldwyn K. Hyatt

## CHIEF COUNSEL FOR THE INTERNAL REVENUE SERVICE

WALTER H. SMITH/1866

WILLIAM MCMICHAEL/1871

CHARLES CHESLEY/1871

THOMAS J. SMITH/1888

ALPHONSO HART/1890

ROBERT T. HOUGH/1893

GEORGE M. THOMAS/1897

ALBERT W. WISHARD/1901

A.B. HAYES/1903

FLETCHER MADDOX/1908

ELLIS C. JOHNSON/1913

A.A. BALLANTINE/1918

D.M. KELLEHER/1919

ROBERT N. MILLEW/1919

WAYNE JOHNSON/1920

CARL A. MAPES/1920

NELSON T. HARTSON/1923

ALEXANDER W. GREGG/1925

CLARENCE M. CHAREST/1927

E. BARRETT PRETTYMAN/1933

ROBERT H. JACKSON/1934

MORRISON SHAFORTH/1936

JOHN P. WENCHEL/1937

CHARLES OLIPHANT/1947

CHARLES W. DAVIS/1952

DANIEL A. TAYLOR/1953

JOHN POTTS BARNES/1955

NELSON P. ROSE/1957

ARCH M. CANTRALL/1958

HART H. SPIEGEL/1959

CRANE C. HAUSER/1961

SHELDON S. COHEN/1964

MITCHELL ROGOVIN/1965

LESTER R. URETZ/1966

K. MARTIN WORTHY/1969

LEE H. HENKEL, JR./1972

MEADE WHITAKER/1973

STUART E. SEIGEL/1977

N. JEROLD COHEN/1979

KENNETH W. GIDEON/1981

FRED T. GOLDBERG, JR./1984

WILLIAM F. NELSON/1986

#### NOTE:

From 1866 to 1926, the chief legal officer for the Internal Revenue Service was known as the Solicitor. For the next eight years, 1926 to 1934, he had the title of General Counsel for the Bureau of Internal Revenue. Since 1934, he has operated under the title of Chief Counsel.

The following were Acting Chief Counsel during periods when there was no Chief Counsel holding the office:

JOHN W. BURRUS  
from March 2 to Nov. 30, 1936

MASON B. LEMING  
from Dec. 6, 1951 to  
May 15, 1952

KENNETH W. GEMMILL  
from June 11 to Nov. 8, 1953

RUDY P. HERTZOG  
from Dec. 1, 1954 to  
MAY 8, 1955, and from  
Jan. 20 to Aug. 16, 1961,  
and from Sept. 1, 1963 to  
Jan. 5, 1964

HERMAN T. REILING  
from Jan. 19 to March 13, 1957  
and from Aug. 31 to Sept. 20, 1959

RICHARD M. HAHN  
from Jan. 20 to June 25, 1969

LEE H. HENKEL, JR.  
From Jan. 16 to June 11, 1972

LAWRENCE B. GIBBS  
from April 17 to Oct. 19, 1973

CHARLES L. SAUNDERS, JR.  
from Jan. 20 to April 15, 1977

LEON G. WIGRIZER  
from April 16 to June 23, 1977

LESTER STEIN  
from June 1 to Nov. 16, 1979

JEROME D. SEBASTIAN  
from Jan. 21 to Feb. 2, 1981  
and from March 30 to Aug. 14, 1981

EMORY L. LANGDON  
from Feb. 3 to March 29, 1981

JOEL GERBER  
from May 28, 1983 to  
March 17, 1984

V. JEAN OWENS  
from March 14 to July 27, 1986

# PRINCIPAL OFFICERS OF THE IRS OFFICE OF CHIEF COUNSEL

AS OF SEPT. 30, 1987

## NATIONAL OFFICE

CHIEF COUNSEL  
William F. Nelson

SPECIAL ASSISTANTS TO  
THE CHIEF COUNSEL  
James D. Bridgeman  
Martin B. Kaye

DEPUTY CHIEF COUNSEL  
(MANAGEMENT & OPERATIONS)  
V. Jean Owens

ASSISTANT TO THE DCC  
(MANAGEMENT & OPERATIONS)  
Ronald Pinsky

DEPUTY CHIEF COUNSEL  
(POLICY & LEGAL PROGRAMS)  
Peter K. Scott

SPECIAL ASSISTANTS TO DCC  
(POLICY & LEGAL PROGRAMS)  
Elizabeth A. Case  
Gayle W. Herndon

ASSOCIATE CHIEF COUNSEL  
(TECHNICAL & INTERNATIONAL)  
D. Kevin Dolan

DEPUTY ASSOCIATE CHIEF  
COUNSEL (TECHNICAL)  
Marlene Gross

DEPUTY ASSOCIATE CHIEF  
COUNSEL (INTERNATIONAL)  
Charles S. Triplett

ASSOCIATE CHIEF COUNSEL  
(LITIGATION)  
James J. Keightley

DEPUTY ASSOCIATE CHIEF  
COUNSEL (LITIGATION)  
Kenneth Little

SPECIAL LITIGATION COUNSEL  
Stephen M. Miller

SPECIAL APPELLATE COUNSEL  
Daniel F. Folzenlogen

## DIVISION DIRECTORS:

APPEALS  
Howard T. Martin

CORPORATION TAX  
James F. Malloy

CRIMINAL TAX  
Barry J. Finkelstein

DISCLOSURE LITIGATION  
Peter V. Filipi

EMPLOYEE PLANS/EXEMPT  
ORGANIZATIONS  
James J. McGovern

GENERAL LEGAL SERVICES  
William F. Long, Jr.

GENERAL LITIGATION  
Arnold E. Kaufman

INDIVIDUAL TAX  
Mario E. Lombardo

INTERPRETATIVE  
Paul F. Kugler

LEGISLATION AND REGULATIONS  
Donald E. Osteen

OPERATIONS  
Richard J. Mihelcic

TAX LITIGATION  
Robert P. Ruwe

## REGIONAL AND DISTRICT OFFICERS:

### CENTRAL REGION

REGIONAL COUNSEL  
Clarence E. Barnes, Jr.

REGIONAL DIRECTOR OF APPEALS  
Thomas J. Yates

DEPUTY REGIONAL COUNSEL  
(CRIMINAL TAX)  
Charles M. Layton

DEPUTY REGIONAL COUNSEL  
(GENERAL LITIGATION)  
Robert M. Venable

DEPUTY REGIONAL COUNSEL  
(TAX LITIGATION)  
Mary Helen Weber

ASSISTANT REGIONAL COUNSEL  
(GENERAL LEGAL SERVICES)  
John A. Freeman

DISTRICT COUNSEL AND  
DISTRICT APPEALS OFFICERS:

CINCINNATI, OH  
Counsel-Richard E. Trogolo  
Appeals-Benny R. McCandless

CLEVELAND, OH  
Counsel-Buckley D. Sowards  
Appeals-Raymond H. Fehribach

DETROIT, MI  
Counsel-Charles S. Stroad  
Appeals-Michael C. Boehm

INDIANAPOLIS, IN  
Counsel-Ross E. Springer  
Appeals-Gerald W. Wendel

LOUISVILLE, KY  
Counsel-Ferdinand J. Lotz III  
Appeals-Douglas A. Weaver

### MID-ATLANTIC REGION

REGIONAL COUNSEL  
David E. Gaston

REGIONAL DIRECTOR OF APPEALS  
James A. Dougherty

DEPUTY REGIONAL COUNSEL  
(CRIMINAL TAX)  
Richard A. Francis, Jr.

DEPUTY REGIONAL COUNSEL  
(GENERAL LITIGATION)  
Vacant

DEPUTY REGIONAL COUNSEL  
(TAX LITIGATION)  
Charles F.T. Carroll

ASSISTANT REGIONAL COUNSEL  
(GENERAL LEGAL SERVICES)  
David J. Markman

DISTRICT COUNSEL AND  
DISTRICT APPEALS OFFICERS:

BALTIMORE, MD  
Counsel-Herbert A. Seidman  
Appeals-Susan H. Hale

NEWARK, NJ  
Counsel-Matthew Magnone  
Appeals-Patrick Glynn

PHILADELPHIA, PA  
Counsel-H. Stephen Kesselman  
Appeals-Thomas G. Spaccarelli

PITTSBURGH, PA  
Counsel-Donald W. Howser  
Appeals-Thomas E. Douglas

RICHMOND, VA  
Counsel-Marion B. Morton  
Appeals-John D. Piper

WASHINGTON, DC  
Counsel-Melvin E. Lefkowitz  
Appeals-Thomas L. Kruse

### MIDWEST REGION

REGIONAL COUNSEL  
Denis J. Conlon

REGIONAL DIRECTOR OF APPEALS  
Kevin P. Morgan

DEPUTY REGIONAL COUNSEL  
(CRIMINAL TAX)  
Vacant

DEPUTY REGIONAL COUNSEL  
(GENERAL LITIGATION)  
William J. York

DEPUTY REGIONAL COUNSEL  
(TAX LITIGATION)  
Harmon B. Dow

ASSISTANT REGIONAL COUNSEL  
(GENERAL LEGAL SERVICES)  
Jeffrey J. Sieburg

DISTRICT COUNSEL AND  
DISTRICT APPEALS OFFICERS:

CHICAGO, IL  
Counsel-James Kidd  
Appeals-John F. Eckert

DES MOINES, IA  
Counsel-Mark E. O'Leary

HELENA, MT  
Counsel-Thomas C. Morrison

KANSAS CITY, MO  
Counsel-James E. Cannon  
Appeals-James R. Wells

MILWAUKEE, WI  
Counsel-Nelson E. Shafer  
Appeals-Robert J. Collins

OMAHA, NE  
Counsel-Ronald M. Frykberg  
Appeals-Edwin L. Brook

SPRINGFIELD, IL  
Counsel-Jeff P. Ehrlich

ST. LOUIS, MO  
Counsel-Richard A. Witkowski  
Appeals-Frank Brafman

ST. PAUL, MN  
Counsel-Robert F. Cunningham  
Appeals-H. Larry Stewart

## NORTH-ATLANTIC REGION

REGIONAL COUNSEL  
Agatha L. Vorsanger

REGIONAL DIRECTOR OF APPEALS  
Eugene D. Alexander

DEPUTY REGIONAL COUNSEL  
(CRIMINAL TAX)  
Margaret C. Tinagero

DEPUTY REGIONAL COUNSEL  
(GENERAL LITIGATION)  
Myron Levine

DEPUTY REGIONAL COUNSEL  
(TAX LITIGATION)  
Jay S. Hamelburg

ASSISTANT REGIONAL COUNSEL  
(GENERAL LEGAL SERVICES)  
Robert F. Hermann

DISTRICT COUNSEL AND  
DISTRICT APPEALS OFFICERS:

ALBANY, NY  
Counsel-Gerald A. Thorpe

BOSTON, MA  
Counsel-Vacant  
Appeals-Linda M. Garrard

BROOKLYN, NY  
Counsel-Vacant

BUFFALO, NY  
Counsel-John E. White  
Appeals-Joseph H. Walz

HARTFORD, CT  
Counsel-Powell W. Holly, Jr.  
Appeals-Joseph F. Scherzinger

LONG ISLAND, NY  
Appeals-John P. Chambers

MANHATTAN, NY  
Counsel-Joseph F. Maselli

NEW YORK CITY, NY  
Appeals-Edward M. Schaeffer  
Assistant-John G. Imbesi

## SOUTHEAST REGION

REGIONAL COUNSEL  
Jack D. Yarbrough

REGIONAL DIRECTOR OF APPEALS  
Robert B. Douthitt

DEPUTY REGIONAL COUNSEL  
(CRIMINAL TAX)  
Jack Morton

DEPUTY REGIONAL COUNSEL  
(GENERAL LITIGATION)  
Ronald P. Campbell

DEPUTY REGIONAL COUNSEL  
(TAX LITIGATION)  
Roy L. Allison

ASSISTANT REGIONAL COUNSEL  
(GENERAL LEGAL SERVICES)  
Harry G. Mason

DISTRICT COUNSEL AND  
DISTRICT APPEALS OFFICERS:

ATLANTA, GA  
Counsel-Dean R. Morley III  
Appeals-Charles R. Barnes

BIRMINGHAM, AL  
Counsel-John B. Harper  
Appeals-Robert D. Holt

GREENSBORO, NC  
Counsel-Alan I. Weinberg  
Appeals-Larry L. Davis

JACKSONVILLE, FL  
Counsel-Roy S. Fischbeck  
Appeals-John M. Mankat

MIAMI, FL  
Counsel-John T. Lyons  
Appeals-Steve D. Herscovitz

NASHVILLE, TN  
Counsel-Richard J. Neubauer  
Appeals-Louie C. Mays

NEW ORLEANS, LA  
Counsel-James E. Keeton, Jr.  
Appeals-Ray L. Pritt

TAMPA, FL  
Appeals-Wayne A. Jaggars

#### SOUTHWEST REGION

REGIONAL COUNSEL  
David L. Jordon

REGIONAL DIRECTOR OF APPEALS  
Claude C. Rogers, Jr.

DEPUTY REGIONAL COUNSEL  
(CRIMINAL TAX)  
Carleton E. Knechtel

DEPUTY REGIONAL COUNSEL  
(TAX LITIGATION)  
Mark L. Puryear

ASSISTANT REGIONAL COUNSEL  
(GENERAL LEGAL SERVICES)  
Gary A. Anderson

DISTRICT COUNSEL AND  
DISTRICT APPEALS OFFICERS:

ALBUQUERQUE, NM  
Counsel-Harry Beckhoff

AUSTIN, TX  
Counsel-Lewis J. Hubbard  
Appeals-Frederick R. Box

DALLAS, TX  
Counsel-Vacant  
Appeals-Ronald J. Blair

DENVER, CO  
Counsel-William A. Goss  
Appeals-Dwight M. Sumner

HOUSTON, TX  
Counsel-Harold Friedman  
Appeals-Aubry O. Myrick

OKLAHOMA CITY, OK  
Counsel-Michael J. O'Brien  
Appeals-William C. Reitan

PHOENIX, AZ  
Counsel-Roger Rhodes  
Appeals-Darrell P. Ladmirault

SALT LAKE CITY, UT  
Counsel-Marion K. Mortensen  
Appeals-Robert B. Stipek

#### WESTERN REGION

REGIONAL COUNSEL  
Benjamin C. Sanchez

REGIONAL DIRECTOR OF APPEALS  
Donato Cantalupo

DEPUTY REGIONAL COUNSEL  
(CRIMINAL TAX)  
William K. Shipley

DEPUTY REGIONAL COUNSEL  
(GENERAL LITIGATION)  
Perry T. Foster

DEPUTY REGIONAL COUNSEL  
(TAX LITIGATION)  
Barbara Leonard

ASSISTANT REGIONAL COUNSEL  
(GENERAL LEGAL SERVICES)  
Robert J. Wilson

DISTRICT COUNSEL AND  
DISTRICT APPEALS OFFICERS:

ANCHORAGE, AK  
Counsel-James A. Nelson

BOISE, ID  
Counsel-Wayne R. Appleman

HONOLULU, HI  
Counsel-William A. Sims

LAGUNA NIGUEL, CA  
Counsel-Harry Asch  
Appeals-Robert Skibicki

LAS VEGAS, NV  
Counsel-Richard A. Jones

LOS ANGELES, CA  
Counsel-Joseph O. Greaves  
Appeals-Raymond E. Gump  
Assistant-Bruce J. Conyne  
Assistant-Ann B. Mitchell

PORTLAND, OR  
Counsel-Michael W. Bentley  
Appeals-George F. Kaufer

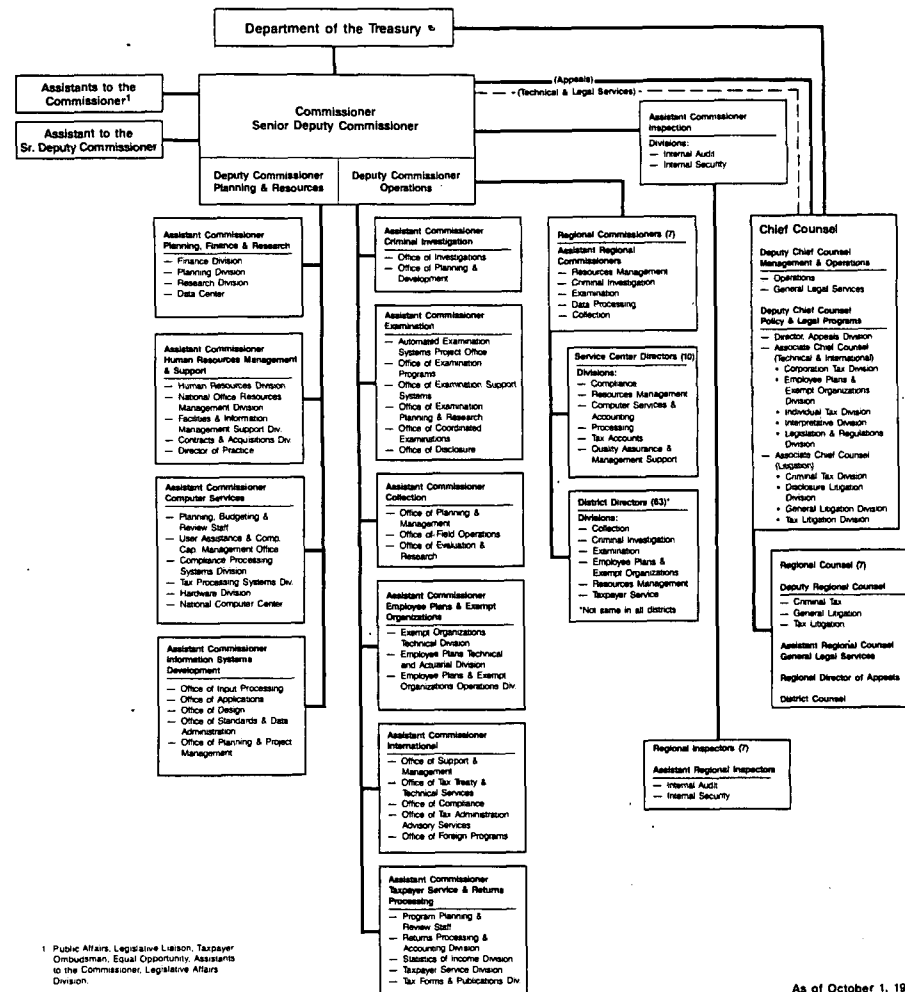
SACRAMENTO, CA  
Counsel-Steven J. Mopsick  
Appeals-Oris McMillian

SAN DIEGO, CA  
Counsel-Donald W. Wolf  
Appeals-Boyd E. Taylor

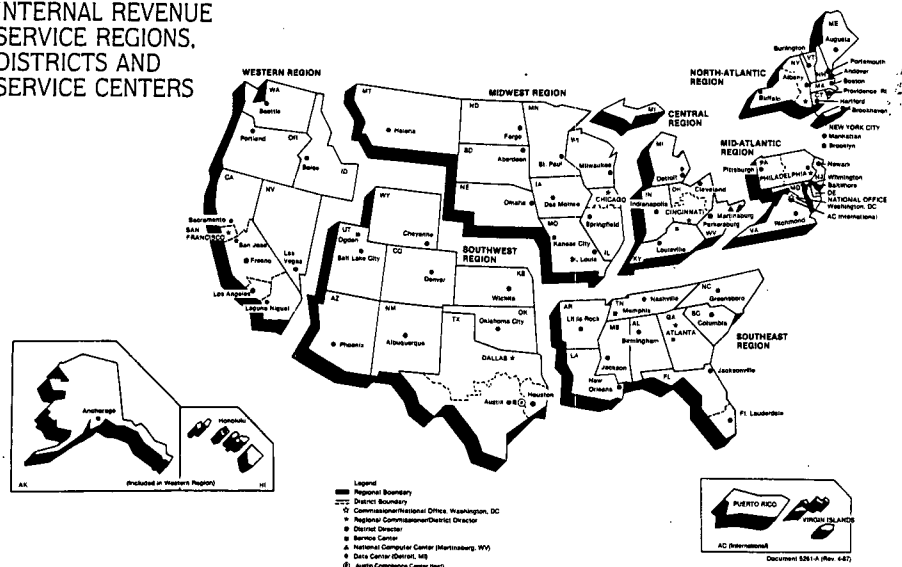
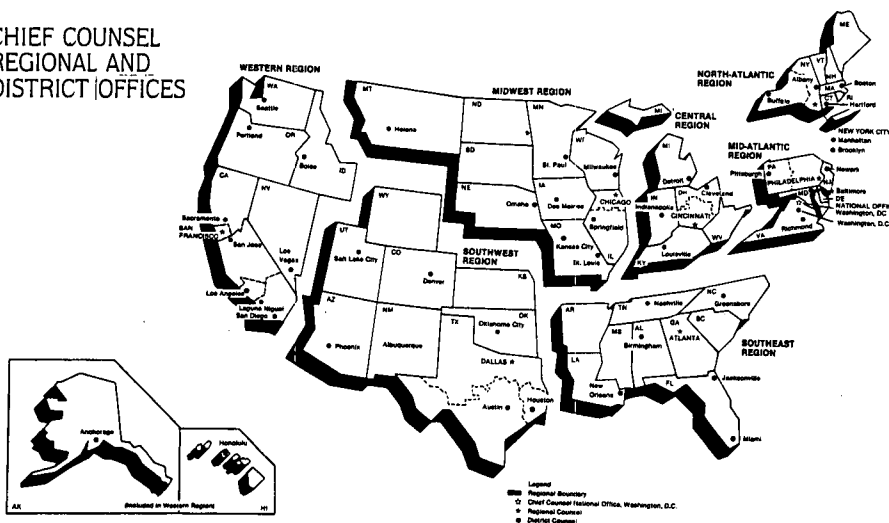
SAN FRANCISCO, CA  
Counsel-J. Richard Murphy, Jr.  
Appeals-Thomas K. Jarrett

SAN JOSE, CA  
Counsel-Lawrence G. Lilly  
Appeals-Jackson S. Kohagura

SEATTLE, WA  
Counsel-Richard J. Shipley  
Appeals-Jerald M. Peterson



As of October 1, 1987

INTERNAL REVENUE  
SERVICE REGIONS,  
DISTRICTS AND  
SERVICE CENTERSCHIEF COUNSEL  
REGIONAL AND  
DISTRICT OFFICES

## INDEX

## A

Administrative Appeals—Chief Counsel 37  
Advertising & Mailing Campaigns, Special 14  
Assisting the Taxpayer 12  
Audit Program & Statistical Sampling, computer assisted 20  
Automated Collection System (ACS) 23  
Automated Examination System 20

## B

Bank Secrecy Act 22

## C

Chief Counsel 32  
Collection 23  
Collection Branch, Service Center 23  
Compliance, Research to Improve 21  
Computer Services 28  
Coordinated Examination Program 20  
Corporation & Individual Tax Division—Chief Counsel 34  
Credit Card Payment of Federal Taxes 24  
Criminal Investigation 22  
Criminal Tax—Chief Counsel 35

## D

Director of Practice 30  
Disclosure 21  
Disclosure Litigation—Chief Counsel 35

## E

Earned Income Credit 11  
Electronic Filing 11  
Employee Plans 25  
Employee Plans and Exempt Organizations Division, Interpretive Division, Legislative Division and Legislation and Regulations Division—Chief Counsel 34

Enforcing the Law 18  
EP/EO Determination System (EDS) 25  
Equal Employment Opportunity 31  
Examination Results 20  
Exempt Organizations 25

## F

Forms & Publications 15

## G

GAO/IRS Joint Management Review 31  
General Legal Services—Chief Counsel 37  
General Litigation—Chief Counsel 35

## I

Industry Specialization Program 21  
Industry Specialization Program—Chief Counsel 37  
Information Returns Program 20  
Information Systems Development 28  
Integrated Collection System 23  
Integrated Management Systems 28  
Integrity Programs 30  
Internal Audit 29  
Internal Security 29  
International 24  
International—Chief Counsel 35

## L

Legislative Affairs 31

## M

Managing the System 26  
Maps—IRS and Chief Counsel 78  
Master File 11

## O

Officials, IRS 67  
Officials, Chief Counsel 73  
Operations Division—Chief Counsel 37  
Organizational Chart 77  
Organized Crime & Drug Enforcement Task Forces 23

## P

Penalties & Interest 9  
Presidential Election Campaign Fund 9  
Print Media 14  
Problem Resolution Program 15  
Public Debt, Contributions to Reduce 9

## Q

Quality Service, Commitment to 31  
Quality in Examination 21  
Questionable Refund Program 22

## R

Refunds 9  
Research 28  
Resource & Workload Management System 23  
Returns Received 8

## S

Statistics of Income (SOI) 30  
Statistical Tables 41  
Strategic Management Systems 28

## T

Tax Litigation—Chief Counsel 36  
Taxpayer Education 15  
Taxpayer Information 14  
Tax Receipts 8  
Tax Reform Act Assistance 14  
Tax Reform Legislation—Chief Counsel 34  
Tax Refund Offset Program 11  
Tax Shelters 20  
Telephone Assistance 14

## W

Windfall Profit Tax Program 21

